ओ३म्

अथ वेदान्तिध्वान्तनिवारणम् ॥

नवीनतर वेदान्ती लोग कपोलकल्पित अर्थ अनर्थरूप करके जगत् की हानिमात्र कर लेते है, तथा मनुष्यों को हठ अभिमानादि दोषों में प्रवृत्त कराके दुःखसागर में डुबा देते है, सो केवल अल्पज्ञानी लोग इन के उपदेशजाल में फंस के मत्स्यवत् मरण क्लेशयुक्त होके अधर्म्म, अनैश्वर्य और पराधीनतादि दुःखस्वरूप कारागृह में सदा बद्ध रहते हैं। एक बात इन की यह है कि जीव को ब्रह्म मानना, दूसरी यह है कि स्वयं पाप करें और कहें कि हम अकर्ता और अभोक्ता हैं, तीसरी बात यह है कि जगत् को मिथ्या कल्पित मानते है कि मोक्ष में जीव का लय मानते हैं तथा न वास्तव मोक्ष और न बन्ध इत्यादि अनेक इन की मिथ्या बातें हैं परन्तु नमूने के लिये इन चार बातों का मिथ्यात्व संक्षेप से दिखलाते हैः—

(१) जीव को ब्रह्म मानने में प्रथम इस वाक्य का प्रमाण देते हैं कि "प्रज्ञानमानन्दब्रह्म" इस को ऋग्वेद का वाक्य कहते हैं, परन्तु ऋग्वेद के आठों अष्टकों में यह वाक्य कहीं नहीं है किन्तु वेद का व्याख्यान जो ऐतरेय ब्राह्मण उस में यह वाक्य है, सो ऐसा पाठ है कि "प्रज्ञानं ब्रह्म" सो इस वाक्य में ब्रह्म का स्वरूप निरूपण किया है कि "प्रकृष्टं ज्ञान य

स्मिन् तत्प्रज्ञान अर्थात् प्रकृष्टज्ञानस्वरूपम्" (व्याख्या) जिस में प्रकृष्ट सर्वोत्तम अनन्त ज्ञान है वह प्रज्ञान कहावे अर्थात् प्रकृष्टज्ञानस्वरूप प्रज्ञान विशेषण से ऐसा निश्चित हुआ कि जिस को कभी अविद्यान्धकार अज्ञान के लेशमात्र का भी सम्बन्ध नहीं होता, न हुआ और न होगा "ब्रह्म" जो सब से वृद्ध (बड़ा) और सब जगत् का बढ़ानेवाला, स्वभक्तों को अनन्त मोक्षसुख से अनन्तानन्द में सुख बढ़ानेवाला तथा व्यवहार में भी (बृहत्) बड़े सुख का देनेवाला, ऐसा परमात्मा का स्वभाव और स्वरूप है, इस वाक्य का नाम "महावाक्य" नवीन वेदान्तियों ने रक्खा है सो अप्रमाण है क्योंकि किसी ऋषिकृत ग्रन्थ में इन का "महावाक्य" नाम नहीं लिखा है "अहं ब्रह्मास्मि" इस वाक्य का वेदान्ती लोग ऐसा अर्थ करते हैं कि मैं ब्रह्म हूं अर्थात् भ्रान्ति से मै जीव बना था, सो अब मैं ने जान लिया कि मै साक्षात् ब्रह्म हू। यह अनर्थ इनका बिलकुल खोटा है क्योंकि पूर्वापर ग्रन्थ का सवन्ध देखे विना चोर की नाई बीच में से एक टुकड़ा लेके अपना मतलब सिन्धु का अर्थ करके स्वार्थसिद्धि करते हैं। देखो इस वचन का पूर्वापर सवन्ध इस प्रकार का है:—

शतपथ ब्राह्मण काण्ड १४ प्रपाठक ३ ब्राह्मण २ कण्डिका १८ "आत्मेत्येवोपासीत। अत्र ह्येते सर्वऽएकं भवन्ति,, इत्युपक्रम्य—तदेतत् प्रेयः

पुत्रात् प्रेयो वित्तात्प्रेयोऽन्यस्मात् सर्वस्मादन्तरतरं यदयमात्मा स योऽन्यमात्मनः प्रियं ब्रुवाणं ब्रूयात् प्रियꣳरोत्स्यतीतीश्वरो ह तथैव स्यादात्मानमेव प्रियमुपासीत स य आत्मानमेव प्रियमुपास्ते न हास्य प्रियं प्रमायुकं भवति ॥ १९ ॥ तदाहुः । यद् ब्रह्मविद्यया सर्वं भविष्यन्तो मनुष्या मन्यन्ते किमु तद्ब्रह्मावेद्यस्मात्तत् सर्वमभवदिति ॥ २० ॥ ब्रह्म वाऽइदमग्रऽआसीत् तदात्मानमेवावेदह ब्रह्मास्मीति तस्मात्तत् सर्वमभवत्तद्यो यो देवानां प्रत्यबुध्यत स एव तदभवत्तथर्षीणां तथा मनुष्याणाम् ॥ २१ ॥ तद्धैतत् पश्यन्नृषिर्वामदेवः प्रतिपेदे । अहं मनुरभवꣳसूर्यश्चेति तदिदमप्येतर्हि य एवं वेदाऽहं ब्रह्मास्मीति स इदꣳ सर्वं भवति तस्य ह न देवाश्च नाभूत्या ईशतऽआत्मा ह्येषाꣳ स भवत्यथ योऽन्यां देवतामुपास्तेऽअन्यो ऽसावन्योऽहमस्मीति न स वेद यथा पशुरेवꣳ स देवानां यथा ह वै बहवः पशवो मनुष्यं भुञ्ज्युरेवमेकैकः पुरुषो देवान् भुनक्त्येकस्मिन्नेव पशावादीयमानेऽप्रियं भवति किमु बहुषु तस्मादेषां तन्न प्रियं यदेतन्मनुष्या विद्युः ॥ २२ ॥

"अतति सर्वत्र व्याप्नोतीत्यात्मा परमेश्वर , इस प्रकरण में यह है कि सब जीव परमेश्वर की उपासना करैं और किसी की नहीं क्योंकि सर्वव्यापी, सर्वान्तर्यामी जो परब्रह्म वह सबसे प्रियस्वरूप है उसी को जानना, पुत्र, वित्त, धन तथा सब जगत् के सत्य पदार्थों से वही ब्रह्म प्रियतर है, तथा अन्तरतर आत्मा का अन्तर्यामी परमात्मा है, जो कि अपने सबों का आत्मा है जो कोई इस आत्मा से अन्य को प्रिय कहता है उस के प्रति "ब्रूयात्" कहे कि परमात्मा से तू अन्य को प्रिय बतलाता है सो तू दुःखसागर में गिर के सदा रोवेगा और जो कोई परमात्मा को छोड के अन्य की उपाषना वा प्रीति करेगा सो सदा रोवेगा जो पाषाणादि जड पदार्थों की उपासना करेगा सो सदैव रोवेगा।

"आत्मानमेव प्रियमुपासीत स यथात्मानमेव प्रियमुपासते न हास्य प्रियं प्रमायुकं भवति,,

और जो सर्वान्तर्यामी, सर्वशक्तिमान, न्यायकारी, निराकर, अज इत्यादि विशेषण युक्त परमेश्वर की उपासना करता है वह इसलोक जन्म तथा परलोक परजन्म तथा मोक्ष में सर्वानन्द को प्राप्त होता है और उसी ईश्वर की कृपा से "ईश्वरो ह तथैव स्यात्,, मनुष्यों के बीच में परमैश्वर्य को प्राप्त हो के समर्थ सत्तावान् होता है' अन्य नहीं, तथा "न हास्य प्रिय प्रमायुक भवति" यह जो परब्रह्म का उपासक उसका आनन्द सुख "प्रमा

युक्त" नष्ट कभी नहीं होता किन्तु उस को सदैव स्थिर सुख रहता है क्योंकि "अत्र ह्येते सर्वे एकं भवन्ति" जिस ब्रह्मज्ञान में सब परस्पर प्रीतिमान् हो के जैसा अपने को सुख वा दु:ख, प्रिय और अप्रिय जान पड़ता है वैसा ही सब प्राणीमात्र का सुख और दु:ख तुल्य समझ के न्यायकारित्वादिगुणयुक्त और सब मनुष्यमात्र के सुख में एकीभूत होके एकीरूप सुखोन्नति करने में प्रयत्न सब करते हैं क्योंकि जैसा अपना आत्मा है वैसा सब के आत्माओं को वह जानता है "तदाहु" इत्यादि जो मनुष्य ब्रह्मविद्यायुक्त हैं वे ऐसा कहते हैं कि परमेश्वर के सामर्थ्य से सब जगत् उत्पन्न हुआ और सब जगत् की उत्पत्ति करनेवाला वही है, ऐसा ब्रह्मविद्यावालों का निश्चय है, सब जगत् में "तद् ब्रह्मावेत्" व्याप्त हो के सब की रक्षा कर रहा है' "किमु" और कोई अन्य जगत् का कारण नहीं, "ब्रह्म वा इदमित्यादि०" 'सृष्टि की आदि में एक सर्वशक्तिमान् ब्रह्म ही वर्त्तमान था सो अपने आत्मा को "अहं ब्रह्मास्मीति सदैवावेत्" स्वस्वरूप का विस्मरण उस को कभी नहीं होता, उस परमात्मा के सामर्थ्य से सब जगत् उत्पन्न हुआ' ऐसा विद्वानों के बीच में से जो ब्रह्म अविद्यानिद्रा से उठके जानता है सो ही ब्रह्मानन्द सुखयुक्त होता है, तथा ऋषि और मनुष्य इन के बीच में जो अज्ञाननिद्रा से उठ के ब्रह्मविद्यारूप प्रकाश को प्राप्त

होता है, सो ब्रह्म के नित्य सुख को प्राप्त होता है, "तदैतदि त्यादि० " इस ब्रह्म को वामदेव ऋषि देखता और प्राप्त हुआ मै मनु और सूर्य्यनामकऋषि देहधारी अथवा सूर्यलोकस्थ ज न्मवाला हुआ था, ऐसा विज्ञान समाधिस्थ परमेश्वर के ध्यान में तत्पर जो वामदेव ऋषि उस को प्राप्त हुआ था' सो यह विज्ञान जिस को इस प्रकार से होगा सो भी इस प्रकार जाने गा कि "य एव वेदाह ब्रह्मास्मीति,, मै ब्रह्म हूं अर्थात् ब्रह्मस्थ हू कि मेरे बाहर और भीतर ब्रह्म ही व्यापक (भर रहा) है, जो इस प्रकार ज्ञानवाला पुरुष होता है सो इस सब सुख को प्राप्त होता है उस के सामने अनैश्वर्यवाले जो देव इन्द्रिय वा अन्य विद्वान् ऐश्वर्यवाले नहीं होते किन्तु ऐसा जो ब्रह्म का उपासक सो इन इन्द्रिय और अन्य विद्वानों का आत्मा अ र्थात् प्रियस्वरूप होता है, जैसे आकाश से घर भिन्न नहीं होता तथा आकाश घर से भिन्न नहीं और आकाश तथा घर एकभी नहीं किन्तु पृथक्२ दोनों है, एवं जीवात्मा और परमात्मा व्या-प्यव्यापकसम्बन्ध से भिन्न वा अभिन्न नहीं हो सकता, सो इसी बृहदारण्यक के छ ठे प्रपाठक में स्पष्ट लिखा है सो यह वचन है —

"य आत्मनि तिष्ठन्नात्मनोन्तरो यमात्मा न वेद यस्यात्मा शरीरंय आत्मानमन्तरो यमय-ति स त आत्मान्तर्याम्यमृतः"

(व्याख्या) हे जीवात्मन्! जो परमात्मा तेरा अन्तर्यामी अमृतस्वरूप उपास्य है तेरे मे व्यापक हो के भर रहा है, तेरे साथ है और तेरे से अलग है तथा मिल भी रहा है, जिस को तू नहीं जानता, क्योंकि जिस का तू शरीर है, जैसे यह स्थूल शरीर जीव का है वैसे परमात्मा का तू भी शरीरवत् है, जो तेरे बीच में रह के तेरा नियन्ता है उस अन्तर्यामी को छोड के दूसरे पदार्थों की उपासना मतकर, जो अन्य देव अर्थात् ईश्वर से भिन्न श्रोत्रादि इन्द्रिय अथवा किसी देहधारी विद्वान् देव को ब्रह्म जानै अथवा उपासना करै' वा ऐसा अभिमान करै कि मै तो ईश्वर का उपासक नहीं, उस से मै भिन्न हू तथा वह मेरे से भिन्न है, उस से मेरा कुछ प्रयोजन नहीं, किंवा ईश्वर नहीं है, अथवा ऐसा कहता है कि मै ही ब्रह्म हू सो इन्द्रियों वा देहधारी विद्वानों का पशु है जैसा कि बैल वा गर्दभ वैसा वह मनुष्य है जो परमेश्वर की उपासना नहीं करता, इत्यादि प्रकरण विचार के विना चार अक्षर को पकड के चोरवत् कपोलकल्पित अर्थ का प्रमाण नहीं होता है, ग्रन्थविस्तर भय से अधिक नहीं लिखते है, यह भी यजुर्वेद का वचन नहीं है किन्तु शतपथ ब्राह्मण का यह पूर्वोक्त वचन है, वैसे ही "तत्वमसि" यह भी सामवेद का

वचन नहीं है किन्तु साम ब्राह्मणान्तर्गत छान्दोग्य उपनिषद्

का है इसका भी पूर्वापर प्रकरण छोड के नवीन वेदान्तियों-
ने अनर्थ कर रक्खा है उस में ऐसा प्रकरण है कि —

**"स य एषोऽणिमैतदात्म्यमिद९ँसर्व्वं तत् स-
त्य९ँ स आत्मा तत्त्वमसि श्वेतकेतो इति"**

उद्दालक अपने श्वेतकेतु पुत्र को उपदेश देते हैं कि-सो
पूर्वोक्त परमात्मा सब जगत् का आत्मा है, सो कैसा है कि–जो
"अणिमा" अत्यन्त सूक्ष्म है कि प्रकृति, आकाश और जीवा-
त्मा से भी अत्यन्त सूक्ष्म तथा वही सत्य है, हे श्वेतकेतो ! य
ही सब जगत् का अन्तर्यामी आधारभूत सर्वाधिष्ठान है । सो
ब्रह्म सनातन, निर्विकार, सत्यस्वरूप, अविनश्वर है । (प्रश्न)
जैसे ईश्वर सब जीवादि जगत् का आत्मा है वैसे ईश्वर का भी
कोई अन्य आत्मा है वा नहीं ? (उत्तर) "स आत्मा" परमे-
श्वर का आत्मान्तर कोई नहीं, किन्तु उस का आत्मा वही है,
हे श्वेतकेतो ! जो सर्वात्मा है सो तेरा भी अन्तर्यामी अधिष्ठान
आत्मा वही है अर्थात् —

**"तदन्तर्यामी तदधिष्ठानस्तदात्मकस्त्वमसीति
फलितोर्थः"**

तत्सहचरण वा तत्सहचार उपाधि इस वाक्य में जानना ।
**यष्टिकां भोजय, अर्थात् यष्टिकया सहचरितं ब्रा-
ह्मणं भोजयेति गम्यते, तथैव तद् ब्रह्म सहचरित-**

स्त्वमसीत्यवगन्तव्यम्। तथा, अहं ब्रह्मास्मीत्यत्राह ब्रह्मसहचरितो वा ब्रह्मस्थोऽस्मीति विज्ञेयोऽर्थः। तात्स्थ्योपाधिना यथा मञ्चाः क्रोशन्तीत्यत्र मञ्चस्थाः क्रोशन्तीति विज्ञायते, एवं यत्र यत्रा-सम्भव आगच्छेत्तत्र तत्रोपाधिनाऽथा वेदितव्यः। अत्र न्यायदर्शनस्य द्वितीयाध्यायस्थं चतुष्षष्टितम सूत्रं प्रमाणमस्ति "सहचरणस्थानतादर्थ्यवृत्तमानधारणसामीप्ययोगसाधनाधिपत्येभ्यो ब्राह्मणमञ्चकटराजसक्तुचन्दनगङ्गाशाटकान्नपुरुषेष्वतद्भावेपि तदुपचारः" "एषु दशविधासम्भवेषु वाक्यार्थेषु दशोपाधयो भवन्तीति वेद्यम्"

यहा श्रीसर्वशक्तिमत्त्वभ्रान्त्यादिदोषराहित्यादिगुणवाले ब्रह्म का सभव जीव में कभी नहीं हो सकता है, क्योंकि अल्पशक्तिमत्व, भ्रान्त्यादि दोषसहितत्वादि गुण वाला जीव है, इस से ब्रह्म जीव की एकता मानना केवल भ्रान्ति है, चौथा "अयमात्मा ब्रह्म,, इस को अथर्ववेद का वाक्य बतलाते हैं। यह अथर्ववेद का तो वाक्य नहीं है किन्तु माण्डूक्योपनिषदादिकों का है, इस का तो स्पष्ट अर्थ है कि विचारशील पुरुष अपने अन्तर्यामी को प्रत्यक्ष ज्ञान से देख के कहता है कि यह जो मेरा अन्तर्यामी है यही ब्रह्म है अर्थात् मेरा भी यह आत्मा है अपने

उपास्य का प्रत्यक्षानुभवविधायक जीव के समझने के लिये यह वाक्य है, तथा—

"योऽसावादित्ये पुरुषस्सोऽसावहम्"

यह यजुर्वेद के चालीशवें अध्याका वाक्य है । जो आदित्य में अर्थात् प्राण में पुरुष है वह मैं जीवात्मा हू, "आदित्यो वै प्राण." शतपथब्राह्मणे । तथा-

"आदित्यो ह वै प्राणो रयिरेव चन्द्रमाः"
इति मुण्डकोपनिषदि ॥

इस प्रमाण से जो प्राण में पूर्ण, प्राण में सोता, प्राण का प्रेरक सो जीवात्मा पुरुष मै हू ।

"यद्वा परमेश्वरोऽभिवदति हे जीवाः ! यः असौ आदित्ये बाह्ये सूर्ये किं वा अन्तर्गते प्राणे सः असौ अहमेवास्मीति मां वित्त,,

हे जीवो ! मुझ को बाहर और भीतर तुम लोग जानो, कि सूर्यादि सब स्थूल जगत् तथा आकाश और जीवादि सूक्ष्म जगत् के बीच में मैं जो ईश्वर सो परिपूर्ण हू, ऐसा तुम लोग मुझ को जानो, क्योंकि इस मन्त्र के आगे "अग्ने नयेत्यादि,, मोक्षार्थ ईश्वर की प्रार्थना कथित है तथा "ओं खं ब्रह्म" ओं जिस का सर्वोत्तम नाम है, खं आकाश की नाई व्यापक सर्वाधिष्ठान जो है सो सब से बडा सब जीवों का उपास्य ब्रह्म है ॥

'सर्व खल्विदं ब्रह्म तज्जलानिति शान्त उपासीत'

यह छान्दोग्योपनिषद् का बचन है, इस का अर्थ भी तात्स्थ्योपाधि से करना ॥

इदं सर्व जगत् ब्रह्म,, अर्थात् ब्रह्मस्थं यद्वा

"इद यज्जगदाधिष्ठानं तत्सर्वं ब्रह्मैव,, नात्र किञ्चिद्वस्त्वन्तरं मिलितमिति विज्ञेयम्, यथेदं सर्वं घृतमेव नेद तैलादिभिर्मिश्रितमिति ॥

यह सब जगत् ब्रह्म नाम ब्रह्मस्थ ही है, अथवा यह प्रत्यग्न्तर्यामी जो चेतन सो केवल एकरस ब्रह्म वस्तु है, इस में दूसरी कोई वस्तु मिली नहीं जैसे किसीने कहा कि यह सब घृत है अर्थात् तैलादिक से मिश्रित नहीं है, वैसे उस ब्रह्म की उपासना शान्त हो के जीव अवश्य करै और किसी की नहीं।

(२) दूसरी यह बात है कि इस शरीर मे कर्त्ता और भोक्ता जीव ही है, क्योंकि अन्य सब बुद्ध्यादिक जड पदार्थ जीवाधीन है सो पाप और पुण्य का कर्ता और भोक्ता जीव से भिन्न कोई नहीं, क्योंकि बृहदारण्यकादि उपनिषद् तथा व्यासमूत्र और वेदादिशास्त्रों मे यही सिद्धान्त है।

"श्रोत्रेण शृणोति, चक्षुषा पश्यति, बुद्ध्या निश्चिनोति, मनसा सङ्कल्पयति,,

इत्यादिक प्रतिपादन किये है जैसे "असिना छिनत्ति शिर"

तलवार को लेके किसी का शिर काटता है, इस में काटने का कर्त्ता मनुष्य ही है, काटने का साधन तलवार है तथा काटने का कर्म शिर है, इस में पाप और दण्ड मनुष्य (जो मारने वाला है उस) को होता है, तलवार को नहीं, इसी प्रकार श्रोत्रादिकों से पाप पुण्य का कर्त्ता भोक्ता जीव ही है अन्य नहीं, यह गोमत मुनि तथा व्यासादिकों ने सिद्ध किया है कि —

"इच्छाद्वेषप्रयत्नसुखदुःखज्ञानान्यात्मनो लिङ्गमिति,,

(ये छ) इच्छा द्वेष, प्रयत्न, सुख, दुःख और ज्ञान आत्मनिष्ठ है "तयोरन्यः पिप्पल स्वाद्वत्ति" इस में भी जीव सुख दुःख का भोक्ता और पाप पुण्य का कर्त्ता सिद्ध होता है, अनुभव से भी जीवात्मा ही कर्त्ता और भोक्ता है, इस में कुछ सदेह नहीं कि केवल इन्द्रियाराम हो के विषयभोग रूप स्वमत लब साधने के लिये यह बात बनाई है कि—जीव अकर्त्ता अभोक्ता और पाप पुण्य से रहित है, यह बात नवीन वेदान्ती लोगों की मिथ्या ही है ।

(३) तीसरे इन की यह बात है कि जगत को मिथ्या कल्पित कहते और मानते हैं, सो इन का केवल अविद्यान्धकार का माहात्म्य है । ग्रन्थ अधिक न हो इसलिये जगत् सत्य होने में एकही प्रमाण पुष्कल है —

सन्मूलाः सोम्येमाः प्रजाः सदायतनाः सत्प्रतिष्ठाः ॥

यह छान्दोग्य उपनिषद् का वचन है । (अर्थ) जिस का मूल सत्य है उस का वृक्ष मिथ्या कैसे होगा तथा जो परमात्मा का सामर्थ्य जगत् का कारण है सो नित्य है क्योंकि परमात्मा नित्य है तो उसका सामर्थ्य भी नित्य है, उसी से यह जगत् हुआ है सो यह मिथ्या किसी प्रकार से नहीं होता, जो ऐसा कहो कि "आदावन्ते चयन्नास्ति वर्तमानेऽपि तत् तथा" सो यह बात अयुक्त है, क्योंकि जो पूर्व नहीं है सो फिर नहीं आ सकता, जिस कूप में जल नहीं है उससे पात्र में जल नहीं आता, इस लिये ऐसा जानना चाहिये कि ईश्वर के सामर्थ्य से अथवा सामर्थ्यरूप जगत् पूर्व था, सो इस समय है और आगे भी रहेगा। कोई ऐसा कहे कि संयोगजन्य पदार्थ संयोग से पूर्व नहीं हो सकता वियोगान्त में नहीं रहता सो वर्तमान में भी नहीं सो जानना चाहिये। इसका यह उत्तर है कि विद्यमान सत् पदार्थों का ही संयोग होता है, जो पदार्थ नहीं हों उनका संयोग भी नहीं होता, इससे वियोग के अन्त में भी पृथक् २ वे पदार्थ सदैव रहते है कितना ही वियोग हो तो भी अन्त में अत्यन्त सूक्ष्म पदार्थ रह ही जाता है, इसमें कुछ सन्देह नहीं। इतना कोई कह सकता है कि संयोग और वियोग तो अनित्य हुआ सो भी मान्य करने के योग्य नहीं। क्योंकि जैसे वर्तमान में संयुक्त पदार्थ हो के पृथिव्यादि जगत् बना है सो पदार्थों के मिलने के स्वभाव के विना कभी नहीं मिल सकते, तथा वियोग होने के विना

वियुक्त नहीं हो सकते सो मिलना और पृथक् होना यह पदार्थों का गुण ही है, जैसे मिट्टी में मिलने का गुण होने से घटादि पदार्थ बनते है बालुका से नहीं, सो मिट्टी में मिलने और अलग होने का गुणही है सो गुण सहज स्वभाव से है वैसे ईश्वर का सामर्थ्य जिस से यह जगत् बना है उस में सयोग और वियोगात्मक गुण सहज (स्वाभाविक) ही है, इस से निश्चित हुआ कि जगत् का कारण जो ईश्वर का सामर्थ्य सो नित्य है तो उसके वियोग आदि गुण भी नित्य है, इस से जो जगत् को मिथ्या कहते हैं उन का कहना और सिद्धान्त मिथ्याभूत है ऐसा निश्चित जानना ॥

(४) चौथी इन की यह बात है कि जीव का लय ब्रह्म में मोक्षसमय में मानते है, जैसे समुद्र में बहुत बिन्दु का मिलना, यह भी उनकी बात मिथ्या है इस के मिथ्या होने मे प्रमाण हैं, परन्तु ग्रन्थविस्तार न हो इसलिये संक्षेप से लिखते है, कठवल्ली तथा बृहदारण्यकादि उपनिषदों में मोक्ष का निरूपण किया है कि —

यदा पञ्चावतिष्ठन्ते ज्ञानानि मनसा सह।
बुद्धिश्च न विचेष्टते तामाहुः परमां गतिम् ॥

(अर्थ) जब जीव का मोक्ष होता है तब पांच ज्ञानेन्द्रियों का ज्ञान मन के साथ अर्थात् विज्ञान के साथ स्थिर हो जाता है और बुद्धि जो निश्चयात्मक वृत्ति सो चेष्टा न करे, अर्थात् शुद्ध

ज्ञान स्वरूप जीवात्मा परमात्मा में परमानन्दस्वरूपयुक्त होके सदा आनन्द में रहता है, उसी को परमगति अर्थात् मोक्ष कहते है। सो अन्यत्र भी कहा है कि –

परमज्योतिरुपसम्पद्य स्वेन रूपेणाभिनिष्पद्यते। इति श्रुतिर्बृहदारण्यकस्य॥

पर ज्योति जो परमात्मा उसको "उपसपद्य,, अर्थात् अत्यन्त समीपता को प्राप्त होके " स्वेन रूपेण,, अर्थात् अविद्यादि दोषों से पृथक् होके शुद्ध युक्त, ज्ञानस्वरूप और स्वसामर्थ्यवाला जीव मुक्त हो जाता है। वही स्वरूपशारीरक सूत्रों के चतुर्थाध्याय के चतुर्थपाद में निरूपण किया है कि:-

अभाव वादरिराह ह्येवम्॥

मोक्षसमय में मन को छोड़ के अन्य इन्द्रिय वा शरीर जीव के साथ नहीं रहते किन्तु मन तो रहता ही है औरों का अभाव होता है, यह निश्चय वादरि आचार्य्य का है। तथा –

भावं जैमिनिर्विकल्पामननात्॥

जैमिनि आचार्य्य का यह मत मोक्षविषयक है कि जैसे मोक्ष में मन जीव के साथ रहता है वैसे इन्द्रियों तथा स्वशक्तिस्वरूप शरीर का सामर्थ्य भी मोक्ष में रहता है अर्थात् शुद्ध स्वाभाविक सामर्थ्ययुक्त जीव मोक्ष में भी रहता है। तथा वादरायण (व्यासजी) का मत ऐसा है कि –

द्वादशाहवदुभयविध बादरायणोतः ॥

जैसे मृत शौच की निवृति के पश्चात् द्वादशवा जो दिन सो सत्रयागरूप माना है और भिन्न भी माना जाता है, उस दिन में यज्ञ के भाव और अभाव दोनों है, तद्वत् मोक्ष मे भी भाव और अभाव रहता है, अर्थात् स्थूल शरीर तथा अविद्यादि क्लेशों का अत्यन्त अभाव और ज्ञान तथा शुद्ध स्वशक्ति का भाव सदा मोक्ष में बना रहता है। सच्चिदानन्दानन्तस्वरूप परमात्मा के साथ सब जन्म मरणादि दुःखों से छूट के सदा आनन्द में युक्त जीव रहता है, यह बादरायण जो व्यास जी उन का मत है। और गोतम ऋषि का भी ऐसा ही मत है। न्याय दर्शन अ० १। आ० १॥

दुःखजन्मप्रवृत्तिदोषमिथ्याज्ञानानामुत्तरोत्तरापाये तदनन्तरापायादपवर्गः।२। बाधनालक्षण दुःखम्। २१। तदत्यन्तविमोक्षोऽपवर्गः॥ २२॥

मिथ्या ज्ञान ऐसा है कि जड में चेतनबुद्धि और चेतन में जडबुद्धि, इत्यादि अनेक प्रकार का मिथ्या ज्ञान है उस की निवृत्ति होने से अविद्यादि जीव के दोष निवृत्त हो जाते हैं, दोष की निवृत्ति होने से प्रवृत्ति जो कि विषयाशक्ति और अन्याय में आशक्त है वह निवृत्ति हो जाती है प्रवृत्ति के छूटने से जन्म छूट जाता है जन्म के छूटने से दुःख छूट जाता है, सब दुःखोंके

छूटने मे अपवर्ग जो मोक्ष वह यथावत् होता है । बाधना, विविध प्रकार की पीडा अर्थात् जो दुःख है उन की अत्यन्त निवृत्ति के होने से जीव को अपवर्ग जो मोक्ष ईश्वर के आधार में अत्यन्तानन्द वह सदा के लिये प्राप्त होता है इस का नाम अपवर्ग अर्थात् मोक्ष है' इत्यादिक अनेक प्रमाण है कि मोक्ष में जीव का लय नहीं होता किन्तु अत्यन्तानन्दरूप जीव रहता है । एक अन्य भी प्रमाण देते हैं कि –

"सत्यं ज्ञानमनन्तं ब्रह्म यो वेद निहितं गुहायां परमे व्योमन् । सोऽश्नुते सर्वान् कामान् ब्रह्मणा सह विपश्चितेति,, तैत्तिरीयोपनिषद्वचनम् ॥

जो जीव सत्य, ज्ञान और अनन्तस्वरूप ब्रह्म स्वान्तर्यामी की स्वबुद्धि ज्ञान में निहित (स्थित) जानता वा प्राप्त होता है वह परम व्योम व्यापकस्वरूप जो परमात्मा उन में मोक्षसमय में स्थिर होता है, पश्चात् सर्वविद्यायुक्त, सर्वज्ञ, सर्वशक्तिमान जो ब्रह्म उस के साथ सब कामों को प्राप्त होता है अर्थात् सब दुःखों से छूटके परमेश्वर के साथ सदानन्द में रहता है जो लोग जीव का लय मानते हैं, उस के मत में अनिर्मोक्षप्रसङ्ग दोष आता है, तथा मोक्ष के साधन भी निष्फल हो जाते है, क्योंकि जैसे सृष्टि के पूर्व ब्रह्म मुक्त था, वही अविद्याभ्रम अज्ञानोपाधि के साथ होने से बद्ध हो गया है । वैसे ही प्राप्तमोक्ष चेतन को

फिर भी अविद्योपाधि का सङ्ग हो जायगा इस से मोक्ष की नित्यता नहीं रही तथा जिस मोक्ष के लिये विवेकादि साधन किये जाते हैं उस मोक्ष को प्राप्त होनेवाले जीवकालय ही होना है फिर सब साधन निष्फल हो जायगे क्योंकि मुक्तिसुख का आनन्द भोगने वाले जीव का नाम निशान भी नहीं रहता तथा जीव ब्रह्म की एकता माननेवालों के मत में ब्रह्म ही भ्रान्त अज्ञानी हो जाता है क्योंकि जब सृष्टि की उत्पत्ति नहीं हुई थी तब ज्ञानस्वरूप शुद्ध ब्रह्म था वही ब्रह्म अविद्यादि दोषयुक्त होके दोषी हो गया, सो यह वेद उपनिषद् तथा वेदान्त शास्त्रों से अत्यन्त विरुद्ध मत है।

" शुद्धमपापविद्धं कविरित्यादि,,

यजुर्वेद संहितादि के वचन हैं कि ब्रह्म सदा शुद्ध, पापरहित और सर्वज्ञादि विशेषणयुक्त है, उस में अज्ञानादि दोष कभी नहीं आ सकते क्योंकि देश काल वस्तु का परिच्छेद ईश्वर में नहीं, भ्रान्त्यादि दोष अल्पज्ञ जीव में होते हैं नान्यत्र । (प्रश्न)

"तत्सृष्ट्वा तदेवानु प्राविशत्, अनेनात्मना जीवेनानुप्रविश्य नामरूपे व्याकरवाणि,,

ये तैत्तिरीयोपनिषदादि के वचन हैं। वही ब्रह्म जगत् को उत्पन्न करके फिर प्रविष्ट हुआ, इस में जीवात्मा रूप अन्तःकरण में प्रविष्ट होके नाम रूप का व्याकरण करूं, इस से यह सिद्ध

होता है कि वही ब्रह्म जीवरूप बना है । (उत्तर) यह आप लोगों का अनर्थकरण है क्योंकि परिपूर्ण, एकरस, सब में जो भरा है, वह प्रवेश वा निकलना नहीं कर सकता किन्तु जीव बुद्धि से जब तक अज्ञानी रहता है और उसी बुद्धि से जीवको जब ज्ञान होता है तब उसी में परमात्मा प्राप्त होता है अन्यत्र नहीं। इससे जीव को ऐसा मालूम पडता है कि ब्रह्म मेरे में प्रविष्ट हुआ था, वा जबर जिसर जीव को ईश्वर का ज्ञान होता है तब तब उस उस को अपने आत्मा में ही होता है, इस से यह भी निश्चित होता है कि प्रवेश का करनेवाला तथा जिस में प्रवेश करता है उन दोनों का अलगही होना निश्चित है, तथा एक प्रवेश का करनेवाला और दूसरा अनुप्रवेश करने वाला होता है क्योंकिः—

शरीर प्रविष्टो जीवः जीवमनुप्रविष्ट ई-श्वरोऽस्तीति गम्यते,,

इस प्रकार अर्थ करने से ही यथार्थ अभिप्राय इन वचनों का विदित होता है कि किंवा सहायार्थ में तृतीया विभक्ति है।

"अनेन जीवात्मना शरीर प्रविष्टेन सह त जीवमनुप्रविश्याहमीश्वरःनामरूपे व्याकरवाणीत्यन्वयः,,

अत्र प्रमाणम् "द्वा सुपर्णा सयुजा सखाया समानं वृक्षं परिषस्वजाते,,

एक शरीर में जीवात्मा और परमात्मा का विधान और स म्प्रतिपादन है, इस से जीव और ईश्वर का एक मानना केवल जाङ्गली पुरुषों की कथा है ऋषि मुनि विद्वानों की यह कथा नहीं ईश्वर ने अपने सामर्थ्य से जगत को बनाया है' इस में प्रमाणः—

त्वमस्य पारे रजसो व्योमनः स्वभूत्योजा अवसे धृषन्मनः । चकृषे भूमिं प्रतिमानमोजसोऽपः स्वः परिभूरेष्या दिवम् ॥ १ ॥ ऋ० सं० अ० १ । अ० ४ । व० १३ । म० १० ॥

हे परमेश्वर । आपने "स्वभूत्या स्वसामर्थ्य तथा "ओजस अनन्त पराक्रम से भूमि, जल, स्वर्ग तथा दिव अर्थात भूमि से लेके सूर्यपर्यन्त सब जगत को बनाया है, रक्षण और धारण तथा प्रलय आपही करते हो ।

"न यस्य द्यावापृथिवी अनुव्यचो न सिन्धवो रजसो अन्तमानशुः । नोत स्ववृष्टिं मदे अस्य युध्यत एको अन्यच्चकृषे विश्वमानुषक् ऋ० सं० अ० १ । अ० ४ । व० १४ । मन्त्र१४॥

हे परमेश्वर ! एक असहाय विश्व सब जगत् जो कि आप का अनुसङ्गी आप के रचन और धारण से विद्यमान हो रहा है सो आपसे अलग ही है आप का स्वरूपभूत नहीं, क्योंकि -

"अन्यद्विश्व स्वस्माद्भिन्न त्व चकृषे कृतवानसि.."

इस सब जगत को आपने स्वरूप से अन्यत् भिन्न वस्तुभूत रचा है आप जगत्रूप नहीं बने, तथा—

"अणोरणीयान्महतो महीयानात्मास्य जन्तोर्निहितो गुहायाम् । तमक्रतुः पश्यति वीतशोको धातुप्रसादान्महिमानमात्मनः"

"नित्यो नित्यानां चेतनश्चेतनानामेको बहूनां यो विदधाति कामान् । तमात्मस्थं येऽनुपश्यन्ति धीरास्तेषां शान्तिःशाश्वती नेतरेषाम् ॥"

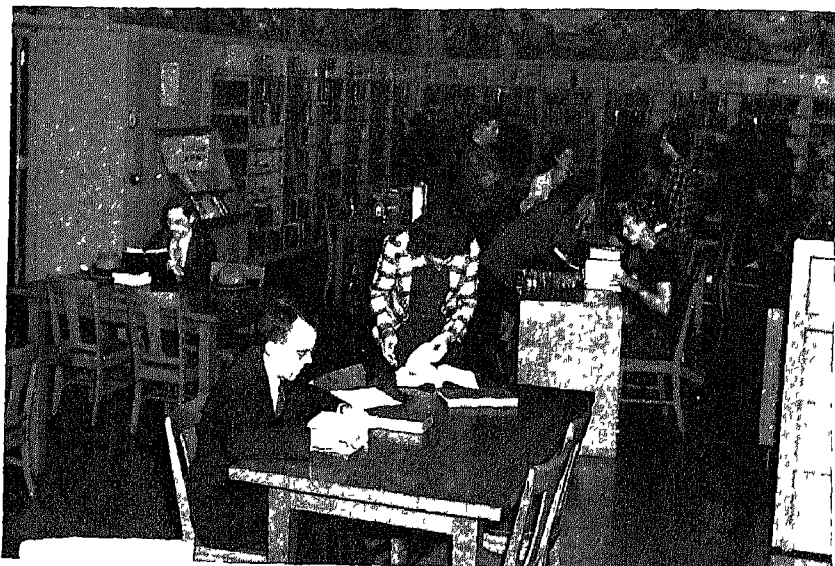
जो सूक्ष्म से सूक्ष्म, बडे से बडा परमात्मा इस जीव के ज्ञान अर्थात जीव के बीच में निहित (स्थित) है, परन्तु उस सर्वात्मा को अभिमानशून्य, शोकादि दोषरहित, परमात्मा का कृपापात्र, जीव ज्ञान से देखता है और उस आत्मा अन्तर्यामी परमात्मा की महिमा सर्वशक्तिमत्व और व्यापकत्वादि गुण को भी वही देखता है अन्य नहीं, इसमें भी जीव ईश्वर का भेद निरूपित है और जो परमात्मा प्रकृति और जीवादि के बीच में नित्य है, तथा चेतन जो जीव उन के बीच में चेतन है, बहुत असङ्ख्यात जीवादि पदार्थों के बीच में जो एक है, तथा जो पृथिव्यादि स्वर्गपर्यन्त पदार्थों का रचन किंवा

ज्ञान से सब कामों का विधान प्राप्त करता है उस परमात्मा को जो जीव अपने आत्मा में ध्यान से देखते हैं उन जीवों को ही निरन्तर शान्तिसुख प्राप्त होता है अन्य को नहीं, इस से भी आत्मस्थ शब्द प्रत्यक्ष होने से ईश्वर और जीव का व्यापक व्याप्य, तथा अन्तर्यामी अन्तर्याम्य सम्बन्ध होने से जीव और ब्रह्म एक कभी नहीं होते, व्याससूत्र—" नेतरोऽनुपपत्ते ' इतर जीव से जगत् रचना की चेष्टा नहीं हो सकती " भेदव्य पदेशाच्च" ब्रह्म और जीव दोनों भिन्न ही हैं " मुक्तोपसृत्य व्यपदेशात्,, मुक्त पुरुष ब्रह्म के समीप को प्राप्त हो के आनन्दी होते हैं " प्राणभृच्च,, प्राणधारी जीव जगत का कारण नहीं " विशेषणभेदव्यपदेशाभ्या नेतरौ " विशेषण दिव्य और सर्वज्ञादि " भेदव्यपदेश" जीव और प्रकृत्यादि से परमात्मा परे है इस से जीव और प्रकृति जगत् के कारण नहीं है. जो जीव और ब्रह्म पृथक् न होते तो जगत के कारण होने में निषेध न करते और जो जीव ब्रह्म एक होते तो निषेध का सम्भव नहीं हो सकता, इत्यादि व्यास के शरीरकसूत्रों से भी स्पष्ट सिद्ध होता है कि जीव और ब्रह्म एक नहीं, किन्तु अलग अलग है तथा नवीन वेदान्ती लोगों ने पचीकरण की कल्पना निकाली है, सो भी अयुक्त है, त्रिवृत्करण छान्दोग्योपनिषद् में लिखा है, क्योंकि आकाशका पचीकरण विभाग वा सयोग करना असम्भव हैं, नवीन वेदान्ती लोगों के प्रचार से मनुष्य के सु

खादि की अत्यन्त हानि होती है, क्योंकि इन लोगों में दो बड़े दोष है, एक जगत् को मिथ्या मानना और दूसरा जीव ब्रह्म को एक मानना, जगत् मिथ्या मानने में ऐसा कहते है कि यह जगत स्वप्न के तुल्य है, सो यह उन का कहना मिथ्या है जिस की उपलब्धि होती है और जिसका कारण सत्य है, उस को मिथ्या कहनेवाले का कहना मिथ्या है, स्वप्न भी दृष्ट और श्रुत सम्कार से होता है दृष्ट और श्रुत सम्कार प्रत्यक्षानुभव के बिना स्वप्न ही नहीं होता, सर्वज्ञ और अवस्था विरहित होने से परमात्मा को तो स्वप्न ही नहीं होता जो जीव ब्रह्म हो तो जैसी ब्रह्म ने यह असंख्यात सृष्टि की है वैसे एक मक्खी वा मच्छर का भी जीव क्यों नहीं कर सकता' इस से जगत् को मिथ्या और ब्रह्म की एकता मानना ही मिथ्या है जगत् को मिथ्या मानने में जगत् की उन्नति परस्पर प्रीति और विद्यादि गुणों की प्राप्ति करने में पुरुषार्थ और श्रद्धा अत्यन्त नष्ट होने से जगत् के जितने उत्तम कार्य है वे सब नष्ट भ्रष्ट हो जाते हे जीव और ब्रह्म को एक मानने से परमार्थ सब नष्ट हो जाता है क्योंकि परमेश्वर की आज्ञा का पालन, स्तुति, प्रार्थना, उपासना करने की प्रीति बिलकुल छूटने से केवल मिथ्याभिमान, स्वार्थसाधनतत्परता, अन्याय का करना, पाप में प्रवृत्ति, इन्द्रियों से विषयों के भोग में फसने से

अत्यन्त पामरता और पतितादिक दोषयुक्त हो के अपने मनुष्य जन्म धारण करने के जो कर्तव्य धर्म, अर्थ, काम और मोक्ष चारों फल नहीं होने से मूर्तिपूजनादि व्यवहारों के करने से उस जीव का जन्म निष्फल हो जाता है इस मे मनुष्यों को उचित है कि सद्विद्यादिक उत्तम गुणों का जगत् मे प्रचार करना, व्यवहार परमार्थ की शुद्धि और उन्नति करना तथा वेदविद्यादि सनातन ग्रन्थों का पठन पाठन और नाना भाषाओं मे वेदादि सत्यशास्त्रों का सत्यार्थप्रकाश करना, एक निराकार परमात्मा की उपासनादि का विधान करना, कलाकौशलादि से स्वदेशादि मनुष्यों का सुखविधान, परस्पर प्रीति का करना, हठ, दुराग्रह, दुष्टों के सगादि को छोडना, उत्तम पुरुष तथा स्त्री लोगों की सभाओं से सब मनुष्यों का हिताहित विचारना और सत्य व्यवहारों की उन्नति करना इत्यादि मनुष्यों को अवश्य कर्तव्य है। इन को सब विरोध छोड के सिद्ध करना यही सब सज्जनों से हमारा विज्ञापन है, इस को सज्जन लोग अवश्य स्वीकार करेंगे ऐसी मुझ को पूर्ण आशा है सो इस की सिद्धि के लिये सर्वशक्तिमान्, सबजगत् के पिता, माता, राजा बन्धु जो परमात्मा उस से मै अत्यन्त नम्र हो के प्रार्थना करता हूं कि सब मनुष्यो पर कृपा करके असन्मार्ग से हटा के सन्मर्गमें चलावें यही हमारा परम गुरु है ॥

समाप्तम् ॥

the fact that the ability to learn does not decrease with adulthood until after twenty-five or thirty, and even then at an extremely slow rate In fact, the implication here is that the average adult is more able to learn than the average child in the elementary school Furthermore, the greater experience and the drive that comes from working for a purpose give the adult an extra advantage that should encourage him to continue his education

Farm Security Administration, photo by Vachon

Libraries like this are an important part of the system of adult education They give the opportunity of carrying on the life work of self education

Even though the public schools have shown but a mild interest in adult education, the continuation school and the evening school seem to be the backbone of this program More than 1,000,000 persons are enrolled in such schools The distinction between these two types of schools is that the continuation schools are carried on during the day and appeal to a younger group, the average age being about seventeen, as against about twenty-three for the evening schools The offerings of these schools are generally very similar, although they cover a wide range of subjects In addition to Americanization, English for foreigners, naturalization, and physical education, which are common to most schools, the chief courses are academic, commercial industrial, household arts, music, arts, and crafts

The Individual Should Plan Further Education The main problem when you have finished your formal schooling is to lay out a

plan that fits your needs. The usual starting point is a feeling of dissatisfaction and an analysis of individual requirements. These requirements will, in most cases, be found to fall into two classifications. First, there are vocational needs. Any person who analyzes his job and the job he would like to have should be able to see how some new or added knowledge, skill, or understanding would aid him to do the present job better or to get the new one. If he is honest with himself, he will see his strengths and weaknesses. Would some work in speech, in accountancy, in blue-print reading, in law, help him? There is a way to advance in all these fields and many others. We have only to look at today's paper to prove to ourselves that the day of the self-made, self-educated man has not passed. Second, there are general, cultural needs. The length of the working day is being consistently reduced in the United States, with the result that each person has more leisure time than ever before. Here is a challenge and an opportunity for the individual. Does he have a hobby, an avenue for relaxation and enjoyment that will make him a happier and more efficient person? All around him are educational answers to his problem. It is freely admitted that education in the United States is imperfect, but it must also be said that people in general fail to take advantage of the facilities they have.

Why the State Provides Schools

All that has been said so far is simply a brief sketch of what education means to you as an individual. It all adds up to one thing, that education is an unending process—a process which the public schools begin and which is left for you to finish. How well you do your part depends on your understanding of what education is all about and how it is to be used.

The School and Society. Once you have figured out just what going to school means to you, you will have answered but half of the question, Why go to school? The nation as a whole has just as large a stake in your education as you have yourself. From the point of view of the state, the school is designed to make you into a mature, well-rounded person who will be a good citizen in the large group, who will be a worthy individual in the family group, who will have resources for a satisfactory recreational life, who will be healthy in mind and body. In other words, democracy uses the school to create the kind of people who can meet the challenge of democracy vigorously, intelligently, with enthusiasm and faith.

This relation between the state and education is a very old one

Every society, from the most primitive tribes to nations of high civilization, seeks to perpetuate the knowledge and traditions of the group by some form of instruction of young people. The knowledges, skills, and attitudes that an Indian boy had to master before becoming an accepted member of the tribe were, in many ways, as complicated as similar preparations are today This instruction may be carried on with or without a formal school system Where there is a

WHAT SCHOOLING COSTS PER CHILD 1936

Each symbol represents $10 per year

CALIFORNIA
DELAWARE
GEORGIA
ILLINOIS
MASSACHUSETTS
NEVADA
NEW YORK
NOR. CAROLINA
OHIO
TEXAS

school system, we find that it reflects the pattern of the society of which it is a part and which it is intended to serve In Germany, France, and, to a less extent, England, before 1939, there were dual systems of education, with one set of schools for the ruling class and another for the masses The membership was different, the subjects were different, and the aims were different Only where the class system has weakened do we find a move toward uniform schools.

Schools and Democracy. The American system of education has adapted forms from various European systems but its fundamental pattern has been different because the pattern of its society is different Education and the type of society fit together and grow together like a snowball rolling down hill In the United States it has worked

this way our democratic philosophy supports the schools because it believes that man is capable of improvement, that loyalty to democratic ideas can be promoted by education, and that the basis of equal opportunity is education This strengthens the schools and, in turn, the graduates of the schools, brought up in the tradition of liberty, demand more democracy in society This will remain true as long as the schools are dedicated to the cause of democracy And if we did not know it before the dictators have shown us the importance of emphasizing the aims of society in the educational system

"Public" Schools. The American system of education is, first of all, public This one word has a special meaning that often escapes people "Public" in America means open to all, free, tax-supported, and compulsory Each of these qualities was achieved only after a long struggle It takes but little thought to demonstrate that without them the schools would not be public or common A student of education has noted the following seven stages in this development [1]

1 At first education was provided from private gifts or religious charity or tuition charges Occasionally there were grants of public funds
2 Later, public funds were granted to private schools or societies to allow them to reduce their tuition fees or extend the term of instruction Sometimes this aid was in the form of permission to organize a lottery
3 After the War of 1812, states passed laws allowing districts to set up schools and to tax for the support of education This was strongly opposed locally and the schools themselves were regarded as being for paupers
4 In the Jacksonian period, states passed laws requiring local communities to make provision for education of children whose families could not afford to pay tuition This could be done by establishing schools or paying the tuition of those who could not afford it at private schools
5 During this period, and later after the Morrill Act of 1862, the states began to accumulate funds for education from the national land policy As the states used these funds for education they began to require that local communities add to state payments
6 By the time of the Civil War, the tuition fee was abolished in most states This step marked the real establishment of a free

[1] Ellwood Cubberley, *Public Education in the United States* Boston Houghton Mifflin Company, 1934, p 118

public school, but was bitterly opposed by many as being radical and socialistic

7 The final step was the elimination of the pauper school idea and the ending of aid to private or sectarian schools With this step the public school became common for all

We might point out that during the last forty years an eighth stage has developed which includes provisions for free textbooks, transportation, and in some cases, health service, dental inspection, and lunches

Why We Have Public Schools All in all, this is a long cry from the Massachusetts Law of 1647 which called for the organization of schools to foil "that old deluder, Satan" To understand why such changes occurred we must look for causes within the social and economic system Such a search could well be as broad and deep as the history of the United States To restrict ourselves to the period since 1870, we can find the following significant points

1 America has become industrialized through the use of power-driven machines Production has increased so greatly that there is now no need for child labor from the point of view of national interest
2 The high cost of child labor due to this mechanization and to compulsory worker insurance has become apparent to industry Labor and humanitarian groups have been active in supporting measures to outlaw child labor and most states have responded
3 The frontier, so characteristic of America up to 1900, is now ended, with the result that a certain type of opportunity has been closed to young people A substitute for this opportunity must be provided by the schools
4 The tremendous growth of cities is one of the features of recent American history This concentration of young people, as well as old, has assisted the development of schools
5 The ratio of children to adults has decreased steadily throughout our history A society with two adults per child can care better for that child than a society with one adult for one child as was the case one hundred years ago.

The Cost of Education In 1930 education cost the people of the United States 22 per cent of the amount they spent for passenger cars in that year To use another basis of comparison, that cost was equal to 45 per cent of the expenditure for all kinds of building construc-

tion in 1930 This money came from various sources, but the great majority was supplied by taxes For all kinds of schools throughout the country more than half the revenue comes from local governments which in turn raise the funds by general property taxes

Throughout recent history the cost of education rose steadily until 1929-1930 According to the United States Office of Education, in that year it amounted to $3,364,872,000 During the depression it dropped to $2,604,410,935 Of these sums, five-sixths went for public schools and the remaining sixth for private schools Undeniably the annual bill for education is a huge one, and we all have to help to pay it

We have already indicated what the individual and the state should expect from the school The question now is, Do they get their money's worth? This is not simply a question of dollars and cents In addition to your own and your parent's money, you must spend approximately twelve years of your life in school That is major expenditure, too

Your answer to this question must depend wholly on your answer to the two questions that were asked before Have you as an individual been able to take advantage of what the school has offered you? Has the state, by supporting a costly educational program shaped you into a useful and successful citizen?

Improving the Schools From this it follows that there is a very practical as well as theoretical reason for every individual to try to preserve and improve the school system As an individual, each person is, and should be, concerned with his own development, his own education As a citizen who recognizes that the future of his democratic society depends upon the schools, he must be equally concerned for their improvement Educational research is constantly going on and the findings are available for all schools Some take advantage of these results but most are unable to do so According to one student, there is a 50-year lag between the good and bad schools in the United States, that is, it takes 50 years for accepted improvements to be widely adopted Typical among the conditions considered essential for a good school are a competent teaching staff, proper school plant, kindergartens, flexibility of curriculum, suitable instructional materials, effective guidance program, school health program, school and community co-operation, and professional, rather than political, administration Yet even when judged by these fundamental standards, a large percentage of American schools are found wanting The basic reason for this inadequacy is the inability of some

communities to finance good schools Therefore, one of the biggest issues in American education is, and will continue to be, that of federal aid Many sound arguments against disturbing the constitutional responsibility of the states for education can be found, but the fact remains that democracy stands for equal opportunity, that equal opportunity depends largely upon education, and that educational opportunity in the United States today is unequal

Conclusion We, the people, depend on our educational system We, the people, have created it, and we, the people, must sustain it and shape it to fit our changing needs Before you can go on in this book to consider the challenges which democracy must face and solve, you must decide how well you are prepared to meet that challenge in your own life Your first and immediate contact with organized democratic living has been the school It is the foundation upon which your future life and citizenship must rest Now is the time to make sure that you know what it is all about

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest aptitudes, capacities, attitudes, customs, social or cultural heritage, significance of subject matter, guidance, "public" schools, education as a life process, adult education, "We, the people," challenge of democracy, democratic way of life

INFORMATION, PLEASE!

2 **a.** What are the aims of formal education? **b** What is meant by individual differences? **c** What are the functions of guidance? **d.** Why does every society provide instruction for its young? **e.** In what ways do schools reflect the ideas of society? **f** What significance does the word "public" have in our school system? **g** Why do we have public schools? **h** Why is informal education so important to man? **i** What are the tools necessary to complete living that the school attempts to give to you? **j** Why should everyone continue his formal education as long as he can get benefit from it? **k** What important elements of education is it impossible to get in the school?

CAN YOU THINK?

3 **a.** What is your answer to the question, "How am I prepared to meet the challenge of democracy?" **b** Democracy is based on education Is

this true or false? Give reasons supporting your answer **c.** Why should the mature individual be the ultimate goal of all education? Explain how other goals are secondary to this one, or in reality only a small part of it **d.** How could the program of the school be changed to make it more effective as a means of achieving the democratic way of life?

WE LEARN BY DOING

4 **Interview** Talk to a school teacher, a clergyman, a businessman, and a wage earner, on this subject In what way have my years in school helped me to be (a) a more effective citizen, (b) a better individual, (c) a more efficient breadwinner? Compare these answers with your own judgment

5 **Personal Survey** Examine your own position from the standpoint of vocational guidance Include the following items **a** your intelligence quotient, **b.** your aptitudes, capacities, and attitudes, **c** your educational goal, frankly stated, **d** your general vocational goal, considering the above, **e** reasons for your choice

6 **Committee** After surveying your community to find adult, vocational, and higher educational institutions, divide them among small committees Have each committee make a visit to the institutions assigned with the idea of acquiring the following information **a** purpose of the institutions, **b** entrance requirements, **c** cost of tuition, **d** preparation for what type of vocations, **e.** length of time to complete instruction Then have each committee give a report to the class based upon its findings

WE READ FROM OTHER BOOKS

6 **General Readings** H Cummings and E Sackett, *Our Schools,* chap viii, W McAndrews, *Social Studies,* chaps iii-iv

7 **Guidance.** *Vocational Guidance Charts,* Champaign High School, Champaign, Ill , Picture Fact Books, Picture Fact Associates *Farm Workers, Nurses at Work, Office Workers, Household Workers, Textile Workers, Railroad Workers, News Workers, Air Workers, Movie Workers, Library Workers, Radio Workers, Doctors at Work, Machinists at Work, Retail Sales Workers*

8 **Education of the Future.** M Hoffman and R Wanger, *Leadership in a Changing World,* "A New Social Order Through Education," Part IV, *The Survey-Graphic,* October, 1939 E Lindeman, "The Goal of American Education," M M Stearns, "Subjects or Children," Symposium, "Some Educators Define Their Goals," S Buchanan and M McConn, "How Can We Be Taught to Think?" A Johnson, "After School and College," W A Neilson, "Education Can't be Better Than the Teachers," W C Ryan, "Schools for Today—and Tomorrow"

9 **Pamphlets.** *Ameiica's Chıldren,* Publıc Affaiis Pamphlet, No 47, *How Good Aie Oui Colleges,* Publıc Affaiis Pamphlet, No 26, *Schools for Tomoriow's Cıtızens,* Publıc Affaırs Pamphlet, No 30, *What It Takes to Make Good ın College,* Publıc Affaırs Pamphlet, No 53

10 **Bıography.** A C Bensen, *From a College Wındow,* B Perry, *And Gladly Teach*

•

CHAPTER 2

NATURE GIVES THE INDIVIDUAL BASIC TRAITS WHICH CAN BE DEVELOPED FOR SUCCESSFUL LIVING

★★

The growth and development of America has been due, in large measure, to the fact that the young country opened its gates to people of all racial and religious differences. Out of these differences has grown the toleration that is a characteristic of democracy. And the part these people played in making American democracy is the proof of the success of the melting pot. Not all our people are equal in ability, but there is a place for all able and willing men and women in our national life. American democracy still means opportunity.

★★

MAN AND THE RACES OF MAN

Man and Animals. There is a vast degree of difference between man and animals in their capacity for developing patterns of behavior. Nature has provided animals with instincts which are inherited behavior patterns not acquired by learning. The squirrel, for instance, has never taken lessons in tree climbing, nor in storing food for the winter. Birds instinctively build nests and fly south to avoid cold weather. These inherited tendencies, or unlearned traits, adjust the animal to its environment at birth but are of little use for adaptation to new conditions. The behavior of domesticated animals, though modified by training, is not motivated by thinking.

It is the difference in behavior between man and animals that accounts for the complex civilization that man has created. The distinguishing characteristics are: First, man has an enlarged brain. This has a direct relationship to his ability to think, to plan, and to create. Second, man has the power of speech, which helps him to communicate with other men and to make himself understood. Third, man possesses movable fingers and opposed thumbs which enable him to manipulate tools for creating and building. Finally, man has an erect posture. He can make his body flexible, which is a great aid in carrying out his activities. Through these gifts, man provides for his elementary needs—food, clothing, and shelter. He utilizes the resources of nature to add to his comfort. His inventive genius helps him to conquer

space, while his imaginative powers create for him a culture that leads to a satisfying life.

Race Men may be of different races, nationalities, languages, or religions. Of these classifications, none presents as much confusion as that of race We hear people talk of the English race, the Aryan race, or the Jewish race, though none of these groups are races The English people are a nationality, made up of several races, who have common loyalties to their king, their institutions, and the British Commonwealth. The term Aryan refers to those who speak the Aryan, or Indo-European, language This includes such people as the English, the Germans, the Russians, the Scandinavians, and the Hindus The Jews are a religious sect, they could become a nationality by gaining political control of Palestine

What, then, is a race? It is a group of people who have a common ancestry, and have certain biological characteristics which distinguish them from all other groups Only physical characteristics and measurements can be applied, for these are inborn, while language, nationality, and religion are acquired Anthropologists[1] agree that there are three distinctive races—the white, or Caucasoid, the yellow-brown, or Mongoloid, and the black, or Negroid In addition to color, people of these races differ in skull formation, in the sutures of the cranium, in the cross-section of the hair, and in the root of the nose In the course of time, these races have developed subdivisions Thus, the Caucasian race includes such groups as the Alpine, the Mediterranean, the Nordic, and the Semitic

Mixed Race. Competent authorities agree that there are very few pure racial groups today There are some such minor isolated groups as the Negritos in the Philippines, the Ainu in Japan, the Eskimos in northern Greenland, the Bushman of Australia, and certain Negro tribes in the interior of Africa For the most part, however, the people of the world are an intermixture of races or racial subdivisions that has taken place as a result of conquest, migrations, the sale of slaves, intermarriages, trade relations, and colonization The people of Spain, though that has been a part of Europe least affected by migration, are a case in point So far as history knows, that land was first inhabited by Iberians, whose racial background has not been determined Phoenicians, in ancient days, established colonies along the coast During the era of Celtic migrations, many of these people entered from France Then followed Roman colonization Still later Germanic

[1] A scientist who studies the origin and classification of races in relation to physical characteristics, environment, social relations, and culture

tribes invaded the peninsula and remained for a long time the governing class. The Moors from northern Africa invaded and brought large parts of the area under their control. Lastly, large numbers of Jews settled in Spain at the beginning of the modern period of history. The biological result of this process of history is the population of Spain. Think what these facts mean when applied to parts of Europe that were the crossroads of the historic movements of peoples.

Another example of racial crossing that is classic happened nearly 150 years ago. After the mutiny on the *Bounty*, a British naval vessel, 9 Englishmen took refuge with 12 Polynesian women on Pitcairn Island, in the Pacific. Today there is no evidence of race decadence among the descendants because both stocks were sound. Nor are there any cultural ill-effects since there is no racial prejudice.

Racial Superiority. One of the most dangerous doctrines that is sweeping the world today is that of racial superiority. This thesis has been advanced by a number of writers. As a social theory, it was stimulated by the writings of Joseph de Gobineau, a Frenchman, who published his *Essay on the Inequality of the Human Races*, in 1854. This book, with the supporting views of H. S. Chamberlain, an Englishman, is the theoretical basis for the racial doctrines of Nazi Germany which have launched the worst anti-semitic and anti-slav pogroms in modern history. These ideas are neither new nor original and all racial groups have been guilty of fostering them. We have only to remember our talk of "the little brown brother" and "the white man's burden" to show how many of us supported ideas of racial superiority as recently as 1900. Or we may think of the status of the Negro in the United States today.

These doctrines are not only dangerous to the peace of the world but are also completely untrue. Franz Boas, dean of American anthropologists, says, "No essential mental differences between races have been proved." Differences of many kinds do exist but these are so tied up with conditions of life as to make the purely racial comparisons valueless. History supports this view. The Egyptians produced a superior civilization in 2500 B.C. with greater advances than other peoples in architecture, agriculture, and government. The Periclean Age in Greece produced one of the richest civilizations in the history of man in art, science, and philosophy. Rome, at the beginning of the Christian era, possessed an advanced culture which developed an extremely efficient government. The Jews have given the world a system of ethics and a monotheistic religion. The Chinese have contributed to the beauty and poise of man with art and philosophy. The

United States, whose people are made up of a vast mixture of races, has made a lasting contribution in its industrial technique and, perhaps most of all, in its demonstration of the reality of many peoples building a new great civilization.

How Men Are Alike

Emotions. Man is a creature of strong emotions. Suppose that you are the driver of a car and have a minor accident. You get out to survey the damage and, as you do, the driver of the other car steps up and strikes you. What happens? You become indignant, your hair seems to bristle, your face flushes, and your forehead breaks into a cold sweat. Your heart beats faster, your pulse increases, you take short quick breaths. The digestive organs have ceased to function, and the liver releases sugar into the blood stream, thereby preparing the body for some emergency.

This reaction of anger is an extreme case of emotional upset, involving the entire system. It is closely associated with fear, and like fear it is recognized as a basic emotional pattern. Other basic emotions are grief, lust, and elation, while mirth, shame, jealousy, patriotism, hate and romantic love, disgust, dread, contempt, and others are combinations of these basic emotions. Nature has provided man with emotions to fit him for the struggle for existence and to make life meaningful and vital. Without them life would be drab indeed. But we must realize that, to civilized man, uncontrolled emotions are a menace. "Stage-fright," "flying off the handle," "losing your head" are expressions that indicate the disadvantage of the lack of emotional control. To get along with others in a democratic society, it is necessary to curb irrational impulses and to maintain poise and balance.

A number of experiments have been conducted to prove that emotions may be formed through childhood experiences, even to the point where personality becomes distorted. Watson, an American psychologist, selected an eleven-months-old child to show how emotional responses can be conditioned in children. Previous to the experiment, the child had shown no fear of rabbits, dogs, monkeys, wool, or cotton. He even reached for these objects when they were placed near him. The experiment consisted of showing the child a white rat and, when he reached for the animal, striking a steel bar to produce a crashing noise. As expected, the child started at the sound. With repeated trials, a conditioned response of fear was established so that the child would cry at the mere sight of a rat, a rabbit, a dog, or a fur coat. The cruelty of this treatment is apparent, yet many ignorant parents,

nurses, and teachers have resorted to punishments that have produced similar conditioning And, if progressive education had done nothing else, it would merit gratitude for having shown how sympathetic care can produce self-confidence, self-reliance, and emotional control

Habit Man is not only a creature of emotion but one of habit Any acquired pattern of behavior that we learn to perform automatically and without conscious direction is a habit The human nervous system is so pliable that the number of habits we can acquire is almost unlimited Listen to what William James, a famous psychologist, said

" 'Habit is second nature! Habit is ten times nature!' the Duke of Wellington is said to have claimed, and the degree to which this is true no one can appreciate as well as one who is a veteran soldier himself The daily drill and the years of discipline end by fashioning a man completely over again, as to most of the possibilities of his conduct

"Habit is thus the enormous fly wheel of society, its most precious conservative agent Already at the age of twenty-five you see the professional mannerism settling down on the young commercial traveler, on the young doctor, on the young counselor-at-law You see the little lines of cleavage running through the character, the tricks of thought, the prejudices, the ways of the shop, in a word, from which man can by-and-by no more escape than his coat sleeve can suddenly fall into a new set of folds On the whole, it is best he should not escape It is well for the world that in most of us, by the age of thirty, the character has set like plaster, and will never soften again "[1]

Habit enables us to perform many tasks efficiently and with little friction Such everyday necessities as speaking, eating, walking, dressing, and riding are performed quickly and easily because of habit Habit releases mental energy for other purposes and habits enable us to do monotonous tasks without becoming fatigued In all these ways habits are useful servants as long as they are constructive and socialized By habit people can become punctual, reliable, and temperate, but by habit also people may become lazy, shiftless, or addicts to drugs or liquor

Habit Formation Since human behavior is largely a matter of habit, we should attempt to form those that will be useful and to discard those that are undesirable Perhaps the best way to break a bad habit is to substitute a new one for the old Another method is to

[1] William James, *Psychology*, New York Henry Holt & Company 1892 p 142 44

destroy the smooth-flowing chain of the habitual act by frequent interruptions and delays. This method enabled Dr. Henry C. Link to break his twenty-three-year-old habit of smoking cigarettes. But whatever the method employed there must be a strong conviction that the habit must go. James has laid down three rules for those who wish to break bad habits. They may be summarized as follows:

1. Find as many reasons as you can muster to support the resolution to break your habit. Act with your whole being, launch yourself with determined effort.
2. Never permit an exception in your resolution until the new habit is firmly fixed.
3. Find new reasons to support your resolution and reaffirm your purpose from time to time.

Even though the habit is apparently broken, it will seek to resurrect itself from time to time. To allow this will bring lack of confidence and develop a defeatist attitude in the individual.

Urges. Besides emotions and habits, there is something deep within our original nature that causes us to struggle and carry on. This motive was at one time called will. Schopenhauer, over one hundred years ago, believed that the one supreme motive in life was the will to live. Adler, a recent psychologist, states that life's great motive is the will to power. Whatever the term used, psychologists are certain that there is this powerful inner drive or urge.

John Dewey contends that one of the greatest urges in human nature is the desire to be important. This is the motive of self-assertion, whereby the individual seeks to prove his superiority. This may be observed on almost any level, from that of small boys playing baseball, to students in school competing for honors, to men in the business and political world striving for distinction in their chosen fields.

A second important urge is that for security and, as the difficulty of realizing a steady income becomes greater in our machine civilization, this increases in importance. Illness, loss of employment, old age, and the lack of sufficient income make us strive for steady work, home ownership, savings, and those things which will help us to weather economic storms.

A third urge is for social approval which is clearly associated with the desire to be important. Men find stimulation when working together in a group to accomplish some goal. This explains the growth of churches, societies, clubs, and lodges. Seeking the approval of others accounts for our conventions in dress, manners, speech, and

social relationship—all because man is herd-minded or gregarious Man is called a social animal because his interests are centered on social activity

There are many other urges that influence human behavior All men seek happiness in the affection and approval of others, in work and service, or in prayer and religious worship All persons must satisfy hunger and thirst Marriage, care of children, and the desire for immortality after death are all urges that underlie the actions of most men and women It seems obvious that these inner motives are common to all, though in varying degree, for they are based on the desire to live, to succeed, and to be worthwhile

Group Control. In addition to common psychological characteristics, men are much alike because they are forced to be Men live in groups which, according to an eminent sociologist, may be classified as primary and secondary The primary groups are the face-to-face groups, the family, the child group, community, and the school Secondary groups are those organized to promote some common interest The members of these groups may be widely separated from one another Modern civilization is bound together by many such groups —political parties, trade unions, educational and scientific societies, and fraternal organizations These are generally larger than the primary groups and are more formal Man cannot escape these groups, and through them society places its stamp of approval on all but the most rebellious

Did you ever wonder why men tip their hats to ladies, why we clap our hands to show approval, or shake hands with friends, or sleep in beds, or use handkerchiefs? These customs are called folkways They are behavior patterns that have grown out of trial and error adjustments of the social group To violate one of these simple customs does not make one immoral or criminal but the group may strongly disapprove of those who ignore such customs Mores (pronounced mō'rēs) are the customary behavior patterns that are considered essential for the welfare of the entire group There are right ways to carry on courtship, marriages must be performed with ceremonies and rituals, one must be honest in business transactions, and it is wrong to violate the laws of God These unwritten laws of society are in reality moral codes Closely associated to the mores are taboos, which are forbidden practices For instance, you must not kill your personal enemies, nor eat human flesh Some religious groups place taboos on dancing, drinking, smoking, and gambling Many of the Mormons were killed in Illinois because they practiced

polygamy. We look with horror on cannibalism, while the Hindus, to whom the cow is a sacred animal, consider Christians sinful for eating beef. Every people has its folkways, mores, and taboos.

It is small wonder, considering these facts, that men are much alike. They are all creatures with emotions, with habits, and with urges that spring from the very nature of life. And in each society, they are forced to fit into a general mold which the group has created out of experiences and traditions of the past.

How Men Differ

Men are much alike, yet men are different. This may seem a paradox, but it is true. Aside from physical attributes, the greatest degree of difference is in intelligence. We all know persons who have superior ability to reason and make sound judgments. They are keen, alert, and quick to grasp difficult situations. It is this kind of intelligence that enables one person to discover insulin, another to invent an electric light bulb, still another to develop a social theory that will benefit humanity. Terman has shown, in his study of genius, that the person with superior intelligence excels in nearly everything he undertakes, a finding that is contrary to the popular impression that genius is warped and anti-social. Most people, however, have average intelligence and it is this group of average people who must do most of the work of the world. The few who are so deficient in intellectual faculties that they are not able to survive by their own efforts must be supported by the others.

Intelligence. Intelligence may be defined as the ability of an individual to adjust himself to new situations by using what he has learned from past experience. It is doubtful whether pure, native intelligence can ever be accurately determined, for intelligence is made up of life experiences as well as innate learning ability. Thorndike, a psychologist at Columbia University, believes there are three types of intelligence. They are:

1. *Abstract Intelligence.* The abstract thinker loves problems that present new ideas. He is at home with the astronomer, who seeks to prove that the universe is drifting in space. He delights in mathematical intricacies, or philosophical discussions. He grasps such theories as relativity, evolution, or single taxes. This type of thinker often develops social philosophies, scientific theories, or ideas for religious reform.

2. *Social Intelligence.* The person with social intelligence understands people and co-operates with them. This ability is more impor-

tant to material success than the ability to excel academically Abstract intelligence sees how to do a thing, social intelligence uses judgment and foresight to get it done

3 *Mechanical Intelligence* The ability to work with one's hands, with tools or machines, is mechanical intelligence Psychologists call this aptitude motor activity It does not necessarily follow that because a boy stands high in abstract thinking he is not inclined to be mechanical Nor are boys who have mechanical inclinations necessarily dull In fact, there is a high degree of relationship between the scores of those taking abstract intelligence tests and those taking mechanical tests

Measurement of Intelligence. Terman, an American psychologist, standardized intelligence tests by measuring the abilities of thousands of children He set up standards to determine what the average child at a given age could accomplish mentally He devised the I Q , or intelligence quotient, to indicate the individual's intellectual abilities The I Q expresses the relationship between the mental and chronological age This quotient is secured by dividing the mental age by the chronological age[1] The formula is written as

$$I\ Q = \frac{M\ A}{C\ A}(100)$$

A child is considered to have normal intelligence if he makes a score of 90 to 110

Heretofore, it has been generally believed that one's ability was inherited at birth, though a bitter controversy has been waged for years by biologists, psychologists, and scientists concerning the part played by heredity or environment in determining human abilities. This question is of great social importance, for if heredity sets limitations to one's learning ability, then all that we can do for the child who at first learns slowly is to furnish that type of education best adapted to inferior mentality If, on the other hand, environment is more important, then education can be a means of bringing about great improvement in individual lives and society

Intelligence and Environment Today we are beginning to doubt the long-taught theory that no amount of education can raise the intelligence of a dull child to normal Experiments, called the "Iowa Studies," have been conducted by a group of psychologists at the Uni-

[1] Imagine John's chronological age as 12 years and 2 months and his mental age (taken from a standardized scale after being tested) as 15 years and 3 months By changing the two ages from years to months we find his chronological age is 146 months, his mental age 183 months By dividing 183 by 146 we find that John's I Q is 125

versity of Iowa's Child Welfare Research Station. These men tested four controlled groups over a period of years. The first group consisted of children taken from poor homes and adopted into good foster homes. The second group was tested both before and after training in a pre-school. Some of this group came from ordinary homes; others from superior homes. The third group were three-year-old mental defectives. They were placed in an institution for the feeble-minded, in care of the oldest and brightest—a high grade moron. The last group was taken out of an orphanage, placed in a pre-school, then returned to the orphanage. In each of these experiments the learning ability of these children was increased when placed in a favorable environment, especially when placed with children superior to themselves in intelligence. These experiments show that there is hope for the dull child if given good wholesome surroundings. They further indicate that, if intelligence can be changed or developed, we may have to remodel our school procedures and re-examine some of our state institutions where life is drab and depressing. If the potential mental abilities of children can be improved by environment, a great deal can be accomplished toward abolishing ignorance, illiteracy, crime, and juvenile delinquency.

Criticism of Mental Testing. Within recent years there have been several sound criticisms of mental testing. Most intelligence tests are similar to school work and will predict with reasonable accuracy success in academic studies. But those taking the tests must have the ability to read and understand the English language, a condition that handicaps children whose parents speak only a foreign language and gives a decided advantage to the child whose parents come from the educated classes of society.

Furthermore, psychologists are not all agreed upon the nature of general intelligence. The intelligence of a child reared in India or China is conditioned by different factors from those which influence an American child. When it is not certain what is being measured, the results are often misleading.

Lastly, enthusiastic mental testers have tried to measure many mental characteristics—moral attitudes, emotions, appreciations, interests, and special abilities. These may be likened to physical conditions, and we all know that physicians are not always certain of their diagnoses. Indeed, they are occasionally quite mistaken. No psychological test can predict accurately that a boy will make a skilled surgeon, a first-rate trial lawyer, an executive, or a politician. We do

not know how much of the poet's art, or the musician's talent may be credited to experience and how much to native ability Nor do mental tests enable us to measure personality traits, which are so vital to a successful career

Levels of Mentality. Despite these reservations about mental tests, all admit that they are extremely valuable in detecting various levels of mental development, particularly those classes of feeble-minded which cause society a great deal of trouble These are

The idiot who has an intellectual capacity of a two-year-old child His I Q ranges from 0 to 25 He rarely learns to sit erect, he must be fed and dressed by others He never learns to speak coherently Most idiots are helpless, and unless cared for by others they could not survive

An imbecile varies in mental capacity from three to seven years old. His I Q averages from 26 to 50 He can do very simple tasks if supervised closely He is best cared for in institutions for the feeble-minded

The mental age of a moron is higher than that of an imbecile but never exceeds that of a twelve-year-old child His I Q varies from 51 to 70 He is dull in school and rarely completes the sixth grade He learns to read and write He can do simple tasks of a routine nature He has very little sense of moral obligation, and lacks the ability to foresee the consequences of his acts Most of our criminals, petty thieves, robbers, burglars, and pickpockets belong to this class Prostitutes and mothers of illegitimate children are found largely among moron girls Morons have normal drives and emotions, but often lack restraint and self-control Some persons with an I Q of 75 succeed fairly well in gaining a livelihood, others work well only when supervised

At the other extreme, intelligence tests aid parents and teachers to discover superior children whose activities can be given proper direction When we are able to discover the special abilities of ordinary children, we will have advanced another important step

Conclusion. As in our consideration of education, the idea which grows from thinking about original traits is based on the word opportunity Opportunity explains much of the difference in racial and individual abilities Opportunity is environment and environment, in a democracy, is subject to change through popular action But differences in abilities do exist and must be recognized Democracy does not preach equality but equal opportunity

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest race, instinct, habit, emotion, drives, intelligence, group life, folkways, mores, taboos, racial theories

INFORMATION, PLEASE!

2 a How are emotions conditioned in early childhood? b Of what importance is the development of constructive social habits? c How do psychologists measure general intelligence? d Why is it important that we learn to discover our special abilities? e. Explain how group life aids in developing character traits f What is the difference between a race and a nationality? g Tell why the doctrine of racial superiority is a myth h Show how racial theories develop intolerance and persecution of minorities

CAN YOU THINK?

3 a Why is anger considered an anti-social trait? b Why are people with bad habits not acceptable socially? c. Do children of wealthy parents have more brilliant intellects than those of the poor? d. Why have social groups which advocate racial and religious intolerance not succeeded in the United States? e How does society mold the individual? f. Is a person with social intelligence more likely to succeed than one with abstract intelligence?

WE LEARN BY DOING

4 **Self-Analysis** Make a list of your good and bad habits Make another list of habits you would like to achieve

5 **Interview** Learn from five members of your class their highest goal in life Which drives or urges are necessary to achieve each goal? Which goals are the hardest to attain?

6 **Summarize.** Write in your notebook a summary of chap ii, "Heredity and Environment," *Ourselves and the World*, by F E Lumley and B Bode

7 **Oral Report** Give a report on Part I, "Individual Differences and Intelligence," of F L Ruch's *Psychology and Life*

8 **Research Activities** Find examples of racial and religious intolerance throughout the history of our country

WE READ FROM OTHER BOOKS

9 **General Readings** R Finney, *Introduction to Sociology*, chaps i-v, R Gavian, A Gray, and E Groves, *Our Changing Social Order* (1939 ed), chaps v-vi, F L Ruch, G N Mackenzie, and M McClean, *People Are Important*, Part I, Unit I, II, and III

10 **Building Good Habits.** Consult, G L Donnelly, *Alcohol and the Habit-Forming Drugs*, E Lockhart, *Improving Your Personality*, chap iv, F E Lumley and B Bode, *Ourselves and the World*, chap v, C Towne, *Gentlemen Behave*, chaps vi, ix, xx, and xxiv, M Wilson, *The New Etiquette*, chaps vi-viii, xx, xxvii, and xxxii

11 **Emotions** Consult, R Fedder, *A Girl Grows Up*, chaps i-iv, H C McKown and M LeBron, *A Boy Grows Up*, chaps iii-v, H A Overstreet, *About Ourselves*, chaps vii-ix, F L Ruch, *Psychology and Life*, Part II

12 **Individual Differences** Consult, R Gavian, A Gray, and E Groves, *Our Changing Social Order*, chaps v-vi, F Moss, *Applications of Psychology*, chaps ix and xii, S Shellow, *How to Develop Your Personality*, chaps ix, xi-xiv

CHAPTER 3

PERSONALITY AND CHARACTER HELP OR HINDER SUCCESSFUL LIVING

★★★

Henry Adams once said that the action of a government can be judged only by its intent Good intent is a feature of good character. Thus, in a democratic government, where the will of the people is the final power, the intention of the government rests upon the collective character of the people If that character is built on fairness, toleration, and justice, these qualities will direct the actions of the government Democracy needs the mature individual, and only in a democracy can the individual develop the dignity of which man is the heir.

★★★

Elements of a Successful Personality

A good personality is vitally important to successful living Actors and radio performers know the value of personality in pleasing an audience The executive knows its importance to the morale and management of men The successful hostess knows the value of being gracious in social situations Good personality traits are essential in all walks of life—to parents, policemen, doctors, lawyers, teachers, salesmen, and to those who toil with their hands Individuals who have a pleasing personality attract others because they are reasonable, considerate, and optimistic Some people are born with attractive personalities, while others acquire personal traits that make them successful in their relations with others Those who try to improve by cultivating desirable traits are more likely to be successful, because their personalities are an asset to their work Others may be continually looking for jobs because they have difficulty in adjusting themselves to other people

Personality Personality may be described as the sum total of all of an individual's characteristics, especially as they concern his relations with others Personality stems from inner traits and is usually the expression of one's whole being—voice, temperament, habits, health, training, and attitudes If the personality is genuine, this is surely true, but if it is just a veneer, a person may express the personalities of half a dozen different people under half a dozen different conditions He may quarrel and bicker in his home life, yet put his best foot

forward to make a pleasing impression when applying for a position. Every John Smith may be, in reality, five or six John Smiths.

We must study our other selves and develop that part of our nature which will make our lives effective and useful. Every person is the sum of his virtues and defects, which Carlyle represented as X/Y, with X for virtues and Y for defects. The sum of personality could be increased by increasing X (virtues) or decreasing Y (defects). The former procedure is better, for people are successful for abundant virtues rather than for lack of weakness.

We can learn a great deal about personality by observing people whom we meet in various walks of life. There are strong personalities, for instance, who are successful because of their sheer force of character. These are usually exceptional people. You also will meet weak personalities, who are neither liked nor disliked. And there are personalities that are as ugly and as intolerant as they are repulsive. In this chapter we shall stress those traits which should help to develop a more complete personality.

Elements of Personality. It would be grossly unfair to judge one's personality by external appearances alone. "Clothes," it has been said truthfully, "do not make the man." But one cannot afford to neglect careful grooming. Neatness and cleanliness help a great deal in making lasting good impressions on both strangers and friends.

The individual with a well-rounded personality wisely uses his spare moments to cultivate a variety of interests. He is interested in his work and the world about him. He can carry on a stimulating conversation on a number of topics. He reads interesting books and likes music. He plays bridge and golf with his friends. He takes an interest in world affairs, and knows the social and political needs of his community. He has done some traveling. Such a person has a breadth of vision that will help him continue to live as a growing personality.

An individual with an effective personality makes use of his intelligence. He makes honest mistakes, but profits by them. His decisions reflect good judgment. He faces problems squarely, and he does not hesitate to take the initiative in solving them. He does not jump at conclusions, but examines all possible evidence.

The person who is successful in dealing with people in human relationships has learned to control his emotions. He never flies into a rage, nor is he given to hysterical outbursts. One of Andrew Johnson's handicaps in the presidency was his personality and, specifically, his inability to control his temper.

Finally, personality can be judged by one's social relationships with other people. This is known as social adaptation. The basis of this trait must be congenial human relationships. An individual who has developed it successfully is frank, yet shows consideration for the wishes of others. While he states his views firmly, he is careful not to offend others, because he respects their opinions. He is sympathetic about the misfortunes of others. His social behavior is generally friendly and cheerful.

Leadership and Personality. Every generation produces individuals who rise to outstanding leadership. This is especially true in a democracy where leadership is personal and not hereditary. In a crisis people will follow the leader in whom they place confidence. Leadership is not confined to the political arena, there are leaders in science, medicine, education, and social service. Leaders are necessary to industrial organization, and to various kinds of administrative services. Leaders may be found in all vocations, some carry on their work humbly and quietly, but nevertheless successfully, because they are capable of getting others to work for them.

The successful leader has confidence in his own ability. His inner conflicts are under control, or at least they are not apparent to the masses. Fears and doubts are replaced by confidence. This is an essential trait in getting others to follow.

Physical energy is necessary to initiate, plan, and execute any enterprise. The leader must blaze the trail whether organizing a stock company, or forming a new political party. He works longer hours than his followers. Physical energy gives him enthusiasm and zeal to accomplish his purposes. Followers become enthusiastic in a cause if the leader displays drive, vigor, and endurance of mind and body.

No person can be a successful leader if people do not trust him. Integrity is a trait that requires loyalty to one's convictions. Woodrow Wilson resigned as president of Princeton University rather than compromise with principles in which he firmly believed. People respected him for his convictions. There must never be any question about the leader's wholehearted support of his cause.

And finally, the successful leader must have moral courage. True leadership may require opposition to a religious creed, denouncement of political practices, or opposition to some constituted authority. It requires moral courage of a high order to carry out a new program or reform movement, whether it be in religion, business, politics, or social life. Grover Cleveland was a leader who had the courage to face attacks, not only upon his motives, but upon his character. The true

leader can never be a moral coward, he must be strong-hearted and his moral courage will inspire confidence in his leadership.

This matter of leadership is of greatest importance in a democracy. A leader in a democracy is not, and should not be, an average person. He should be one who has superior intelligence, personality, character, and training. Democracy should make use of experts in government, as elsewhere, for it must be efficient to continue. The spoils system of Andrew Jackson, based on the supposedly democratic idea that anyone could do any job, is thoroughly discredited. The essential element is opportunity based on ability. By preserving this opportunity and by setting up a wise standard of ability, the citizens of a democracy can secure the leadership which will preserve their liberty and freedom of action.

Personality Adjustments

Inferiority. Many people suffer from a sense of inadequacy and incompetence. All of us experience feelings of personal limitations at times, but they usually disappear. The real danger comes in permitting these feelings to become exaggerated. Such an attitude may easily develop into an inferiority complex.

Inferior attitudes are caused by many different factors. Feelings of inferiority are acquired types of emotional behavior; they are not inherited. They usually begin with undue concern for one's self. Psychologists believe that personality scars are caused by shocks, disappointments, or humiliation. Failure in some undertaking causes worry and tension. Self-consciousness results from a lack of social success, or a failure to win friends. One may also feel inferior because of race, immigrant parents, and one's economic status in life. Physical defects—real or imaginary—cause people to avoid meeting others. Excuses are made for failures. People with an inferiority complex hesitate to accept responsibility; they are uncomfortable in the presence of superiors and are easily overcome by stage fright. If such fears persist, they may easily result in creating an obsession. This means that one cannot successfully cope with the problems of life because these fears have become too deeply rooted.

Feelings of inferiority may develop a personality of the opposite type from the one just described. Some people will camouflage their feelings by developing a smoke screen to hide their defects. Consider the case of a "spoiled child," who has been too closely shielded from normal experiences by a tender-hearted but foolish mother. Early in life he learned how to gain "his own way." Unless everyone catered

to his whims he stormed with temper tantrums Now, as an adult he carries grudges over imaginary wrongs In dealing with other people he has had several severe jolts, which have shaken his confidence He realizes that he has few friends, and to conceal his frustration, he bolsters his ego, and "saves face" by assuming a conceited and egotistic attitude He criticizes people whom he secretly envies He loves to argue to show his superiority If he is in a position of authority, he frequently bullies and tyrannizes subordinates His social adjustments are extremely childish, and his behavior will prove a serious handicap to success

Compensation Instead of growing in this way, the important thing for people who have exaggerated feelings of inferiority is to recognize many of their other fine qualities which can be developed by way of compensation Too many of us have ambitions beyond our abilities Success depends a great deal on recognizing our limitations, and doing those tasks for which we have some talent A homely girl may be extremely sensitive She may become self-conscious and introspective (thinking morbidly about self) Or she may decide not to permit such a slight handicap to excuse her from developing other fine personal traits, perhaps of intelligence, personality, or special ability

Some of the world's greatest men and women have succeeded in making their handicaps act as a stimulus to work for their advantage Steinmetz became a scientific genius, though his body was horribly deformed Helen Keller, born blind and deaf, learned to speak and write In overcoming her handicap she won world renown for her cheerfulness and courage Beethoven gave the world some of its most exquisite music in spite of his defective hearing These people secured recognition by undertaking tasks for which they had some talent. With this kind of a spirit none of us will ever permit our feelings of inferiority to develop into anti-social tendencies Rather we must learn to compensate constructively for those unfortunate facts in life over which we have no control

Introversion and Extroversion. An introvert is one who derives satisfaction from solitary activities He prefers the inner mental life to displaying his energies in the outer world He is generally an abstract thinker, interested in ideas He is frequently moody, despondent, and absent-minded He sometimes holds his convictions stubbornly He resents discipline and finds it hard to take orders Introverts are found within the ranks of teachers, artists, scientists, and writers Many of

the world's greatest contributions to cultural life have been made by strongly introverted people

The extrovert, on the other hand, is a practical individual He takes an active interest in the world about him He has no inhibited emotions. He meets life squarely with energy and zest He makes friends easily and is successful in face-to-face relationships Most men of action, leaders and executives, are extroverts

You should not attempt to classify all people in these categories, for the examples given are extreme cases Besides, most of us have both introvertive and extrovertive traits If one has a tendency toward introversion, this trait should not keep him from attaining intellectual leadership But he must not withdraw from reality to an extent which prevents him from being successful in social relationships The goal should be to make as many wholesome social contacts as possible, especially those which open a way for self-expression

The extroverted person probably needs to take an inventory of self and analyze his personality traits He may not have the power to control his normal impulses His lack of insight will hinder his ability to direct activities intelligently Extreme cases of introversion and extroversion are not desirable and all of us can, with a little self-analysis, determine our weakest characteristics Our goal should be the development of a more complete personality by finding a balance between these two traits.

Escape Mechanisms. When we find ourselves faced with a problem, most of us will try to solve it by emotional processes, rather than by logic The result is that our impulses often lead us into error Hence, we manufacture alibis to conceal our mistakes This is called rationalization A student will excuse his poor grades on the ground that the teacher asked unfair and unimportant examination questions Another will justify keeping the overchange of a ten dollar bill, given to him in error by a bank clerk, on the ground that banks should suffer because they employ stupid clerks

People also use the sour grapes device to justify their shortcomings The discharged employee cites the faults of his boss The jilted lover says he could not stand his erstwhile sweetheart's mother The young man who fails to pass the bar examination remembers that there are too many starving lawyers, and besides, the field of journalism offers greater opportunities Like the fox in the fable, the grapes were sour when he could not get them

By regression the individual seeks to escape from difficult life situations by returning to the infantile experiences of childhood Here

there were no problems, the home was a place of retreat. Regression frequently is present in insane adults, who return to childhood experiences by dressing like children, or playing with dolls. Homesickness is a form of regression that comes to young people who cannot adjust themselves to a new environment. This is usually cured in normal persons with time and new experiences.

Another type of escape mechanism is daydreaming, a continuation of childhood's habit of building a world of make-believe. Daydreaming may produce phantasies of fear and dread, which make us suspicious of the motives of other people. By keeping his head in the clouds the daydreamer succeeds in a dream world where there are no problems, and he meets no resistance. Once the individual has formed the habit of "withdrawing into his shell," his reveries serve as a substitute for accomplishments, and blind him to life's realities.

But if in our daydreams we receive real inspirations and act upon them, it is a different matter. The important discoveries of great scientists often began as reveries which were put to work by experimenting and discovering. Otherwise, the world would never have benefited by the use of motor cars, electric lights, and radios. We must not permit daydreaming to become an idle pastime, rather our aspirations should serve as a source of power to greater effort.

Dominance and Submission. A dominant person is one who usually controls a situation in face-to-face relationships. In conversation with equals, he unconsciously tries to carry his point over that of any rival views. The dominant person does not hesitate to make decisions and finds it easy to say no. He is self-confident and quite assured that his ideas are worthy and right. Qualities of dominance are found in leaders whose physical and mental forces are well co-ordinated.

The opposite characteristics of those just described are found in a submissive person. He is self-conscious and lacks the courage to express his own ideas. He hesitates to assert himself and frequently fails to stand up for his own rights.

The origin of either dominant or submissive traits reaches back into the experiences of childhood. Conditioning factors may be health, size, or physical energy. Extreme cases of dominance or submission are undesirable traits. The over-dominant person is tactless and antagonistic. This trait lessens his effectiveness for leadership. The danger of an over-submissive personality is a withdrawal from reality and a tendency toward introversion. Life has some defeats and laurels for all of us. A normal personality will assert a reasonable degree of aggressiveness to meet and overcome difficult life situations, but never

to the point where dominant traits hamper effective leadership, or prevent one from enjoying social relationships

Mental Hygiene. The strain of modern living has caused an increase in the number of people afflicted with mental disorders in the United States In 1920 New York State reported nearly 41,000 cases confined in its public hospitals By 1938 this number had increased to over 79,000 The following figures show the increase for the United States

IN STATE HOSPITALS FOR MENTALLY DISEASED

1910—159,000—173 per 100,000 population
1937—364,000—282 per 100,000 population

Between 60 and 70 thousand new cases are being admitted to state institutions each year, at a cost of $200,000,000 annually to taxpayers The total economic loss caused by mental diseases has been estimated at $700,000,000 annually

Mental diseases may be attributed to a number of causes A distorted mental outlook may come from shocks of fear, anger, or sorrow which disturb one's emotional life Queer behavior may be the result of worry and anxiety Such factors as poverty, living in the slums, lack of proper food and clothing, broken homes, and the incompatibility of parents help to create nervous disorders Industrialists have learned that distorted personalities can be created by fatigue, which comes from the monotony of humdrum routine We shall probably never know how many cases of mentally disordered individuals are a direct result of life in war-torn or threatened areas Nervous tensions are caused by our highly competitive society, where rich rewards are offered to the successful Those who win are generally happy and cheerful, the failures are discouraged and dissatisfied

The mental hygiene movement has been developed within recent years in an effort to prevent more mental disorders and to help those who are only mildly afflicted Its purposes are to develop wholesome interests, constructive habits, and normal social attitudes Here are some rules, which, if carried out, will help you maintain a more balanced outlook on life:

1 Avoid hurry which creates tension If you miss one street car, another will soon be along
2 Avoid worry and anxiety Most of your fears will never materialize
3 Do one thing at a time, and complete whatever task you undertake

4. Look upon your emotions as spirited friends, that can give you many thrills. Make them your allies instead of your enemies.
5. Participate in some recreational activity that will challenge your interests. Work, play, and rest, each in their proper proportions.
6. Develop a sense of humor. Learn to laugh at yourself and at your mistakes.
7. Tell your troubles to some close friend rather than suppress them. Inhibited thoughts cause one to be moody and depressed.
8. Make up your mind, and reach a decision with life's problems.
9. Avoid setting up goals that are beyond your ability to achieve. Try to succeed in whatever you do, for success adds zest to living.
10. Select companions who are cheerful and wholesome.

The rules of mental hygiene should be practiced by all of us. A strong personality learns to meet conflicts between himself and his environment, while the weaker individual falls an easy prey to mental disorders.

Character, Attitudes, and Maturity

Character. No study of personality would be complete without a discussion of character. While the two terms are often used synonymously we propose to describe character as the foundation of personality. Most character traits are established in the home and the church. The child-centered school with its multitude of extra-curricular activities has become a great agency for the development of character education. A person with character leads the good life—he is a good father, a good neighbor, and a good citizen. Character consists of those moral attributes which make one socially effective and useful as a member of society. There is an old saying, "Character is what a person is, reputation is what he is supposed to be."

One may have a good surface personality yet lack positive character traits. Of what value is a fine college training if it is used to deceive and cheat people? Some of the world's biggest rogues are "wolves in sheeps' clothing." Once their true characters come out, they quickly lose their effectiveness and influence. A weak character generally has negative traits that can be seen in his personality. These are the people who do not "wear well," since the personality is soon found to be a false front. The weak character lacks the moral fiber and stamina that make a sound personality.

The person who has an effective character lives a daily life of pur-

pose and meaning His behavior may be described as consisting of certain character goals Some of these are as follows

loyalty	adaptability
honesty	open-mindedness
dependability	teamwork
fair play	self-reliance
industry	self-control

Farm Security Administration, photo by Lee

Courage, fortitude, perseverance, shown so clearly on the face of this woman, are all elements of character which have made it possible for the American people to create and preserve their democracy.

You can add many other examples to this list, or you may cut it down, as long as you do not take out honesty, for in modern society the "promises that men live by" form the keystone of the arch

Attitudes Are you a radical, or a conservative in your political beliefs? Do you follow blindly the dogmas of the church, or are you a liberal in religion? Do you have set convictions, or do you accept new ideas with an open mind? Are you fair-minded in your criticism of yourself and others? Whatever your habitual ways of reacting are, whether your views are formed consciously or unconsciously, they may be described as your attitudes It is important that we understand our attitudes, as they are the powerful forces behind our behavior adjustments

There are several kinds of destructive attitudes which you must avoid if you wish to develop a wholesome personality These are

1 *Prejudices* Unfortunately, the most destructive attitudes of mankind are prejudices A prejudiced person is one who pre-judges before he critically examines the merits of questions and issues Prejudices are acquired (a) from the likes and dislikes of parents and associates, (b) from painful experiences that cause fear, (c) through ignorance and a mind set by personal convictions A prejudiced person is fundamentally emotional and irrational

The world is filled with prejudiced people—those who hate liquor, cigarettes, Catholics, Negroes, and Jews Racial prejudice has caused no end of trouble since the beginning of mankind Prejudices against the Negro, for instance, have kept him in semi-bondage He is forced to accept menial tasks, he is excluded from the better schools, restaurants, and hotels He is forced to live in a degrading environment, and too frequently he is barred from cultural influences enjoyed by whites The terrible pogroms that the world has recently witnessed against the Jews are the result of age-old prejudices Yet no fair-minded person can deny that the Jewish people have made distinct contributions to civilization

2 *Anti-Social Attitudes* An anti-social person is one who is not well adjusted socially The anti-social person is egotistical and is interested only in himself He is frequently opinionated and dogmatic His manners are crude, or he uses violent and sarcastic language He carries a "chip" on his shoulder most of the time His feelings are easily hurt and one never knows when he will take offense at some innocent remark He breaks the rules of society with little regard for the consequences These attitudes are the result of inner conflicts and a failure to gain recognition Those with anti-social tendencies frequently resort to crime to compensate for their deficiencies

Nothing hinders the development of a well-developed personality as much as prejudices and anti-social tendencies The maladjusted personality produces friction among highly socialized people A person with a high-grade intelligence and infantile emotions is like a balky motor in a new and expensive automobile We must strive to develop all of our traits instead of becoming one-sided individuals

The Mature Individual. None of us will ever reach perfection in building his personality, for shaping one's life is a matter of continual growth There are, however, certain characteristics which are evident in highly socialized persons Most of these traits are found in mature individuals

Co-operation, for instance, is the ability to get along with people This trait is essential for effective living It must be developed in early childhood Parents who assign duties to their children are teaching them to co-operate in assuming responsibility for their homelife Hav-

Farm Security Administration, photo by Vachon

This farmer and his wife, working out their accounts together, illustrate the quality of cooperation, so necessary to successful group living

ing learned this lesson, the child will more readily co-operate with larger groups, which is a vital factor in community life It is important that we co-operate to make our group life successful, for in a competitive society the welfare of the individual is dependent upon the welfare of the group

Consideration for others is the trait of learning to give and take in life's game The considerate person enjoys helping people out of their difficulties because he is interested in their welfare He respects

the rights of others and does nothing to deprive them of their just privileges. It is not enough to show merely a passive interest in others, consideration must be given with sincerity and warmth. Many lasting friendships can be formed by unselfishly considering the other fellow.

Tact is a rare and socially desirable trait, which requires considerable insight for proper development. Tact implies that one is not too curious about the inner life or private affairs of others. The tactful person does not go in for destructive criticism, rather he is interested in the happiness of others and tries to be helpful. He recognizes that the truth often hurts, and he is careful not to tread on sensitive toes. He is firm in his convictions, but not to the point of being offensive. Rather he states his views in a pleasant manner. Tact is a trait which, if cultivated, will lead to a more wholesome social life.

Sympathy is the ability to put yourselves in the other fellow's shoes. To sympathize with others in humiliation, despair, and ill health means that one feels and shares their difficulties. There are times when life is painful, when death and sorrow call for sympathy and understanding.

Conclusion. No one can give a formula for developing personality; for what you are as an individual is the result of many forces. Tennyson, in his poem, "Ulysses," says, "I am a part of all that I have met." The poet means that personality is conditioned by many factors—habits, emotions, heredity, and environment. We must avoid conditions which make life too soft and easy, for these conditions weaken moral fiber. To meet our problems we need personality traits that strengthen character. Hence, to develop an effective personality you must learn to analyze yourself. You can appraise your personal traits to determine which ones should be strengthened and which should be discarded. Robert Burns sums it up, as—

> O, wad some Pow'r the giftie gie us
> To see oursels as ithers see us!
> It wad frae monie a blunder free us
>   An' foolish notion:
> What airs in dress an' gait wad lea'e us,
>   And e'en Devotion!

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest character, leadership, social adaptation, moral courage, inferiority complex, obsession, compensation, dominance, extroversion, attitudes, tact, rationalization, regression, mental hygiene

INFORMATION, PLEASE!

2 **a.** What is personality and how can you learn more about it? **b.** Give examples of personality traits that are assets to effective living **c** Distinguish between weak and positive characters **d.** Enumerate personality traits necessary to successful leadership **e.** Describe personality traits that hinder the development of personality **f.** How can you overcome feelings of disappointment and personal limitation? **g** Show how attitudes can become powerful motivating forces in directing human behavior **h** Explain the movement that is trying to combat the menace of mental disorders **i** What are the characteristics of a mature individual?

CAN YOU THINK?

3 **a.** How can a parent or a teacher successfully handle a problem child? **b.** What conditions in modern life tend to make people neurotic? **c.** Why is it important that we learn to laugh when the "joke is on us" in the give and take of life? **d** Distinguish between personalities that are maladjusted, and those that are well adjusted socially **e** Why is it important that a person in a democracy free himself from prejudice?

WE LEARN BY DOING

4 **Analysis of Personality** Select the boy and girl of your class whom you believe to have the most effective personality List desirable traits, such as tact, attitudes, voice, poise, personal attractiveness, and others
5 **A Written Paper.** Write a paper called "Design for Living" outlining a plan for your life until you reach the age of fifty
6 **Discussion.** Over 2,000 years ago, a religious philosopher wrote,

"When I was a child, I spoke as a child I understood as a child I thought as a child, but when I became a man, I put away childish things"

Explain
7 **Committee** Each class member write out ten desirable and ten undesirable personality traits Let a small committee list them separately Eliminate duplications, then print them on a chart Discuss
8 **Cartoon** Illustrate the following statements **a** "Great souls have wills,

feeble ones only wishes"—*Chinese proverb,* **b.** "I am part of all that I have met, yet all experience is an arch wherethro' gleams that untravelled world whose margin fades forever and forever when I move"—*Tennyson*

9 **Panel Discussion.** Arrange a panel discussion with two boys and two girls, the class teacher acting as discussion leader Explore the subject, "The Schools Should List Desirable and Undesirable Personality Traits of Pupils on Report Cards to Parents" Let one pupil act as secretary, carefully summarizing important points Let the class enter the discussion the last 15 minutes of the period

WE READ FROM OTHER BOOKS

10. **General Readings** J I Arnold, *Challenges to American Youth,* Challenge I, E Bogardus and R Lewis, *Social Life and Personality,* Unit I, R Gavian, A. Gray, and E Groves, *Our Changing Social Order* (1939 ed), chaps vii-ix, E Hilton, *Problems and Values of Today,* II, Unit I, E. Hunter, *Your Way of Life,* Personality Development Series, Unit V

11 **Building an Effective Personality.** To enable you to understand the importance of building an effective personality, consult M Bennett and H Hand, *Designs for Personality,* H Hepner, *It's Nice to Know People Like You,* H Marsh, *Building Your Personality,* H E Tyler, *Learning to Live,* M Wright, *Getting Along with People,* H E Fosdick, *Twelve Tests of Character,* F L Ruch, G N Mackenzie, and M McClean, *People Are Important,* Part III, Unit VIII and X

12 **Mental Hygiene.** The mental hygiene movement is an attempt to aid people afflicted with nervous and mental diseases Consult Clifford Beers, *A Mind That Found Itself,* E A Kirkpatrick, *Mental Hygiene for Effective Living,* J Morgan and E Webb, *Making the Most of Your Life,* J Morgan, *Keeping a Sound Mind,* H A. Overstreet, *About Ourselves*

13 **Character Studies** The following biographies tell the story of interesting personalities See J R Chitamber, *Mahatma Gandhi,* W T Grenfell, *A Labrador Doctor,* I H Hoover, *Forty-two Years in the White House,* P J O'Brien, *Will Rogers,* H Pringle, *Theodore Roosevelt*

14 **Popular Readings.** Consult Warwick Deeping, *Sorrell and Son,* Jack London, *The Sea-Wolf,* S Maugham, *Of Human Bondage*

15 **Plays.** Channing Pollock, *The Fool*

CHAPTER 4

AFTER A PERIOD OF PREPARATION, YOUTH TAKES ITS PLACE IN THE DEMOCRATIC WORLD

★★

Youth has been variously described as a frame of mind or as a condition of the arteries by psychologists and medical men From the economic or social point of view, however, youth is the period of adjustment to the world, generally for people between the ages of fifteen and twenty-five These young people have all had a period of preparation in which the home, the church, and the school have sharpened and trained their original capacities for successful living

★★

THE PROBLEMS OF YOUTH

Youth Movements. We have all heard of the "youth movements" in those European countries which have adopted the totalitarian forms of government These political experiments depend in great degree upon the successful regimentation of youth by the state, with a weakening of the authority of family and church The young people of these countries—the lost generation after the World War—became filled with cynicism and the spirit of revolt because they had no hope nor outlook for the future Desperate and dissatisfied, they quickly followed skillful political leaders who promised them material rewards, such as jobs, through political action By surrendering their physical and spiritual future to these leaders, they have given to the state complete authority over their lives

In Italy the youth movement is divided into three sections and includes all boys from four to eighteen The Children of the She-Wolf range from four to five years of age, the Balilla from six to fourteen, and the Avanguardisti includes those from fourteen to eighteen years old These are trained as riflemen and machinegunners After completing the training offered in the Avanguardisti, the boys enter the Young Fascist League where they remain until they are twenty-one Emphasis is placed upon physical training so that youth may "appreciate the full value of their bodies, their health and their strength," and so that they may help defend their country

In Russia the Young Pioneers is an organization composed of youth from ten to sixteen years of age Membership in the Komsomol is

limited to those between sixteen and twenty-six. This is a propaganda organization which fosters the principles of Marx, Engels, and Lenin Its members are vowed enemies of religion, which they consider social prejudices They must be loyal to the party even to the extent of sacrificing their lives

In Germany after 1936 all youth organizations were abolished, and membership in the Hitler Youth organization was made compulsory for both sexes Since 1935 it has become compulsory for all youth from eighteen to twenty-five to engage in a six-month period of public works under the slogan of "Work Ennobles" The young men live in labor camps Their work consists of reclaiming public lands for agricultural purposes and in building a great network of military highways They receive their food, clothing, and shelter, but no pay

All of the European youth organizations are strongly nationalistic and militaristic. In Germany racial purity and Nordic superiority are ideas fostered to promote national unity Youth quickly becomes imbued with the political and social doctrines of the party and its reforms The compulsory labor service for German boys helps to solve the unemployment problem. But the danger of this type of training cannot be overestimated Each camp has a military atmosphere that compels blind obedience This training of youth is but a step to a period of military service Emphasis is placed upon physical rather than intellectual or spiritual development. Regimentation of this nature glorifies strength and force rather than the peaceful ideals fostered by democracy Insofar as the Nazi ideals are hostile to democracy, these indoctrinated youths are a force to be reckoned with

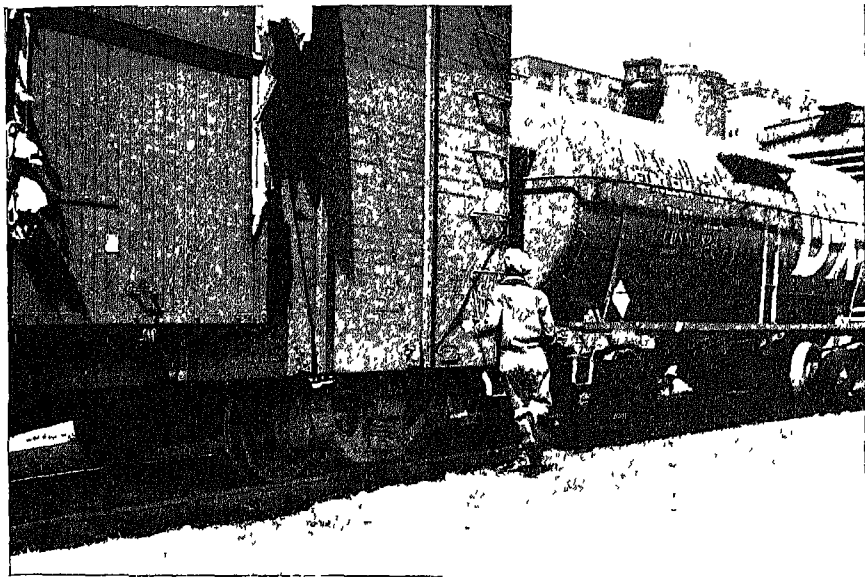
Youth in the United States. Many of our own citizens have inquired. "Is there a youth movement in America?" Most of our youth have some political connections but there is no political party made up primarily of young people Nor has any political leader appealed to them as a group, to aid in carrying out political and social reforms. Many of our young people are members of organized religious groups, social and fraternal organizations None of these activities can be called organized youth movements, with the purpose of exploiting young people for political action

We have a number of worthy youth organizations in the United States—the Y M C A , the CCC, the Boy Scouts, and many others Admission to their ranks is purely voluntary. They foster such ideals as service rather than blind obedience to one man, one party, or to the state However, since October 1940, when the Selective Service Act went into effect, thousands of young men have been inducted into

the army in the national defense effort and the prospects are that many more will be selected, probably in age groups down to eighteen

It cannot be said that there is just one definite "Youth Problem" in America Youth has many problems to solve And, for the most part, they are individual problems The period of youth is important because it is the period of adjustment to adult life Perhaps the most important decisions of your life will be made before you reach the age of twenty-five

The most pressing problem for youth is that of getting a job and this, in turn, depends on the general economic situation

Youth and the Depression. During the depression years, large numbers of young people roamed over the land, hitch-hiking or "riding

Farm Security Administration, photo by Vachon

This boy hitching a ride on a freight train illustrates clearly one of the challenges democracy must meet today That is, to provide a stable and satisfactory future for youth

the rods" as vagabonds. In 1933 it was estimated that over 200,000 youth were wandering about aimlessly from place to place The age of these young people ranged between sixteen and twenty-one Most of these young boys seemed husky, strong, and vigorous Some left home hoping to secure work in large cities, some were glad to escape from broken homes; the financial condition of their parents caused others to seek escape, while some were merely lazy and shiftless

Our large cities had to cope with the transient problem In Cleve-

land, the Boys' Bureau was operated by the city's regular social agencies. Welfare agencies and independent institutions also labored hard to aid transients. New organizations were set up in various cities, Municipal Lodging Houses, the Community Boys' Lodge in Los Angeles and the Homeless Mens' Bureau of Omaha. Other agencies represented in this work were Children's Aid Societies, Traveler's Aid, Newsboys' Lodging Houses, and the Salvation Army. The federal government entered the picture in 1935, when it provided care for 54,000 transient youth in bureaus and camps. Of these, 41,500 were unattached persons, mostly males, while about 13,000 were members of family groups.

In 1935 one-sixth of our population was between sixteen and twenty-four years of age. Four million of this group were in schools and colleges, eight million were gainfully employed, three million were working in homes as housewives and companions, while five to six million were unemployed.

Out of the two and a quarter million of boys and girls who leave school every year, the majority want a job. In addition to the difficulty of getting any job, there is a conflict between the kind of work they desire and what they finally accept. Out of 5,000 youth (16-24) in Indianapolis, in 1935, 32 per cent desired work which was classed as professional, executive, or supervisory.[1] Among 4,000 boys (16-24) in Newark, New Jersey, the percentage wanting this kind of work was 37.[2] In Milwaukee, 46 per cent of the 1933 high school graduates chose professional occupations which they would like to follow.[3] As less than 7 per cent of our population are in the professional class, it is apparent that many young people are doing some "wishful thinking" and that there is a real need for vocational guidance.

This statement of the extent of unemployment of youth shows one of the great problems of democratic society during periods of economic trouble. With the beginning of the national defense boom and the increase in the army and navy, the picture is entirely changed, though none can prophesy for how long.[4] Youth needs work for the solution

[1] Rainey, Homer P. and others, *How Fare American Youth*, New York. D. Appleton-Century Co., Inc., 1937, p. 26.

[2] *Ibid.* p. 27.

[3] *Loc. cit.*

[4] Under the Burke-Wadsworth Selective Service Military Act of 1940, 16,500,000 men between the ages of twenty-one and thirty-five, were "registered" for military service for the first time in the peacetime history of the United States. The initial period of training was first set at 12 months. In 1941 an additional 18 month period of service was made obligatory for each qualified selectee. The age limit, however, was reduced from thirty-five to twenty-eight years of age. It was estimated that approximately 5,000,000 men finally would be qualified for military service after deferments were

of his other problems each of which requires careful thought and planning Most people, before reaching the age of twenty-five, have started their own families, laid plans for additional educational training, established their group and social life and gone a long way toward developing a philosophy of life

A Survey by the American Youth Commission

The American Council on Education, having secured financial support from an educational foundation, began one of the most significant investigations ever undertaken in the United States The Council created the American Youth Commission in 1935 This body of experts and laymen interested in youth problems undertook a comprehensive survey of youth in America that has now lasted five years

Youth in Maryland. Maryland was chosen to be surveyed because it was a typical state [1] The northern part of the state represents general farming, while the southern part is given over mostly to the cultivation of tobacco The number of Negroes as compared to whites in this state is a proportion which holds for the whole country In the Alleghenies there are mountain hill-people, while another section of the state has coal mining towns The eastern part of the state has truck farms and fishing and oyster fleets It has metropolitan cities such as Cumberland, Baltimore, and the suburban areas that border on Washington, D C Maryland is divided in its allegiance to the political ideals of both the North and the South About 250,000 young people between the ages of sixteen and twenty-four live in Maryland For the purposes of this survey over 13,000 cases were studied as a typical sample of young America

These young people were interviewed in their homes, on street corners, in dance halls, public parks, drug stores, beer "joints," swimming pools, clubs, or wherever they were congregated They came from wealthy and middle-class homes, from the farms, the mines, the colleges, and the slums They represented the unemployed, the Negro, male and female, married and single.

The Maryland survey revealed that four out of every five of the unmarried young people were still living at home with their parents Among those who already had found husbands and wives, the marrying age for girls was not quite nineteen while for the boys it was twenty-

made for those with dependents, those physically unfit, or those holding jobs in agriculture and industry

[1] The full report of the Maryland survey, conducted for the American Youth Commission, is found in *Youth Tell Their Story*, by Howard M Bell American Council on Education, 1938 Washington, D C

one Only 8 per cent of all youth interviewed said they had no desire to have children of their own

1 *Education* The survey further revealed that Maryland youngsters leave school on the average at the end of the ninth grade. Out of every twenty youth who had permanently left school,

eight never got beyond the eighth grade,
five entered high school but did not graduate,
five left school after high school graduation,
two received some education beyond high school

There were various reasons given why these young people left school Among these were the lack of family funds, the desire to earn their own money, the need for them to work at home, lack of interest, and the feeling that education was completed upon graduation About one-third of those who left school felt that the education which they had received had been of little or no economic value to them About 36 per cent of those out of school wanted some training for the professions, while 25 per cent of these young people wanted training in the trades and crafts

2 *Employment* If Maryland's employment problem for young people is typical of the nation, then there is a great waste of youthful energies For every ten young people in Maryland three were found to be jobless Some had been looking as long as seven years for their first chance to work The median pay of those working was $12 96 per week. Many of these young unemployed had become callous and indifferent about the failure of our social order to make a place for them.

3 *Leisure* The principal leisure-time activities of these young people consist of individual sports, reading, team games, loafing, dating and dancing, movies, hobbies, and listening to the radio Slightly less than 50 per cent of those who had access to a library had used it during the preceding year Baltimore has excellent library services, but 58 per cent of the farm youth reported no services were available There were practically no libraries for Negroes The indication was that many of these young people failed to improve their minds primarily because they were not interested in reading

4. *Religion* The American Youth Commission believes that the church still retains a large measure of its original appeal for youth The report shows that 7 out of every 10 young people considered themselves as members of some church The highest rate of membership came from Catholic homes, and the lowest from among parents who had no religious affiliations Six out of every seven youths reporting stated that they attended church services at some time during the

preceding year, and one-half of those had gone to church services regularly once each week. The majority of young people still want to be identified with some church and like to take part in its activities of devotion and worship In many American communities the only wholesome recreation provided is that of the school and the church

5 *Attitudes* The young people of today appear to be indifferent toward many of the problems which confront our government Slightly more than one-half of the twenty-two to twenty-four-year-old group voted Three-fourths of them believed that the government should set minimum wages and maximum hours for business and industry Nearly all believed that relief for the needy unemployed was a governmental responsibility, that a "health and decency wage level" should be granted for work performed The majority would permit married women to work only in case of absolute need While these young people realize that "there's something wrong with our social order," only four in every hundred would scrap the capitalistic system and start a new one

The conclusion of these young people is that the "Youth Problem" is largely a matter of economic security They believe that it is the task of society to provide jobs that will pay an adequate wage with a decent standard of living and provision for the future, to provide for real equality of opportunity for those forced out of school and a program of education that will meet the needs of the pupils still in school, and to establish leisure-time programs that have social values

Recommendations. The director of the American Youth Commission set forth other social problems which he believes must be faced by our social order, in view of the Maryland Survey[1] In substance these are

1 *Educational opportunities* Our high schools are still geared to serve only a small minority of our population Boys and girls who cannot hope to attend higher institutions of learning must be offered an educational program which will meet their needs Public education should become a force, helping to break down social and economic barriers

2 *Opportunities for employment* Some solution must be found to help young people bridge the gap between the time they leave school and their first job The seriousness of this problem is becoming greater each year

3 *Economic security* Many young people are working in blind-alley jobs with no future prospect Hours of work are long, wages are low,

[1] *Op cit* Taken from the foreword written by Homer P Rainey, formerly Director of the American Youth Commission

and many youth must contribute to support their parents. Definite vocations and mechanical skills are becoming less in demand in modern industry. The future outlook is one of uncertainty.

4. *Guidance.* More advice and counsel must be made available to help youth find the proper "channels of employment."

5. *Adequate vocational training.* There exists an acute need for vocational training among rural youth. There is little relationship between the type of work youth enters and the training which they receive to prepare them for that work.

NYA Photography Workshop, photo by Corsini

This young woman is taking a test to determine her aptitude for work in the clerical field. Tests like this are very important in helping people to find satisfactory occupations.

6. *Program of secondary education.* Educational trends show that we are approaching the time when nearly all of our young people will remain in school until they are eighteen years of age. Society has a new responsibility in providing a common education for all our youth through the senior high school. As our schools are now operated, the curriculum is ill-suited to most of the young people who attend them.

7. *Recreational opportunities.* With shorter hours as a trend in most vocational activities and with less opportunities for employment, the need for providing facilities for the occupation of leisure time becomes a social problem of significance.

8. *Health education.* More attention must be given to the general

health of all our young people This should include social and personal hygiene

9 *Civic attitudes and responsibilities* The attitude of youth toward civic responsibility is frequently one of indifference Serious attention must be given to a program of training which will challenge and appeal to our future citizens

10 *Community planning for youth* Many of the existing social agencies—religious, philanthropic, and those which are run for a profit—fail to work with a unity of purpose There is a genuine need for some social unit which has a "community approach" to the social problems of young people Such a unified agency could undertake a program of social planning which would touch the lives of most young people

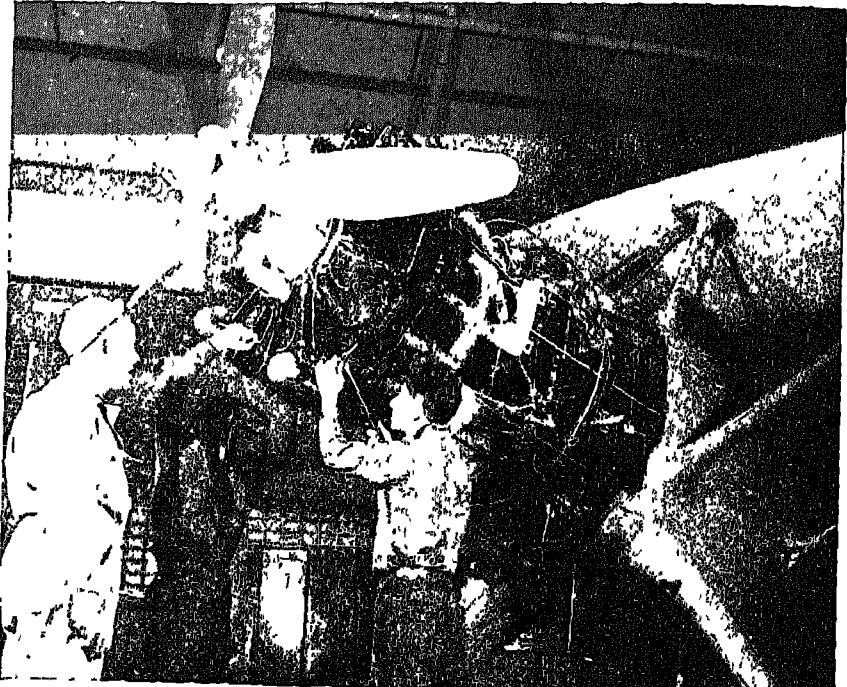
Government Youth Projects

Civilian Conservation Corps. In 1933, Congress passed legislation creating the Civilian Conservation Corps Its immediate purpose was to provide work for the nation's unemployed youth, to enable them to contribute to their families and dependents, and to carry on a conservation program which would benefit the nation and provide the boys with healthful work and beneficial experiences In addition it provided opportunities for vocational instruction in useful crafts, thereby training for future employment Finally it attempted to give sound character education and citizenship training

The Civilian Conservation Corps was originally planned to create employment for 250,000 young men. The first camp was started at Luray, Virginia, in April, 1933 By June, 1933, nearly 280,000 were enrolled in 1,300 camps This number reached a maximum of 2,405 camps in the year of 1935 and 1936 The total enrollment of that year was 350,000

The young men who were selected for the corps had to be citizens of the United States They had to be unmarried and with a few exceptions be between seventeen and twenty-three years old None were accepted who were on probation or prison parole They had to be unemployed and in need of a job In return for their work they received food, shelter, and clothing, and a salary of $30 per month, of which about $25 was sent to dependents or held in reserve until discharge Enlistment was for a six-month term

The Civilian Conservation Corps has helped to preserve our forests by planting thousands of trees Fires have been fought and checked, and better fire-fighting facilities built in forest areas. Some of the work was designed to prevent the spread of insects and plant disease which

destroy forest trees Another part of the program was the conservation of wild life the fish, birds, and game of the forests To check the erosion of the soil, the Corps built thousands of dams in gullies and streams. In addition, our parks and public lands have been improved for recreational activities by the construction of trails, guard-rails on park roads, service buildings, telephone lines, bridges, beaches, bath houses, fireplaces in picnic groves, water and sanitary facilities.

NYA Photography Workshop, photo by Eagle

One important task of the National Youth Administration is to train young people to work in national defense jobs. These boys are checking the ignition on a military observation plane.

Leaders who are trained in guidance work and counseling make every effort to help the boy to find himself Before being discharged he is given advice about the best method of applying for work and locating job leads The good food, wholesome recreational facilities, supervised work and play, and opportunities for self-advancement, all combined to keep up the morale of these young men when it otherwise might have been shattered

National Youth Administration. On June 26, 1935, the President of the United States created a second youth agency, the National

Youth Administration A national advisory committee of 32 leaders set up the objectives under which the National Youth Administration was to operate This policy sought

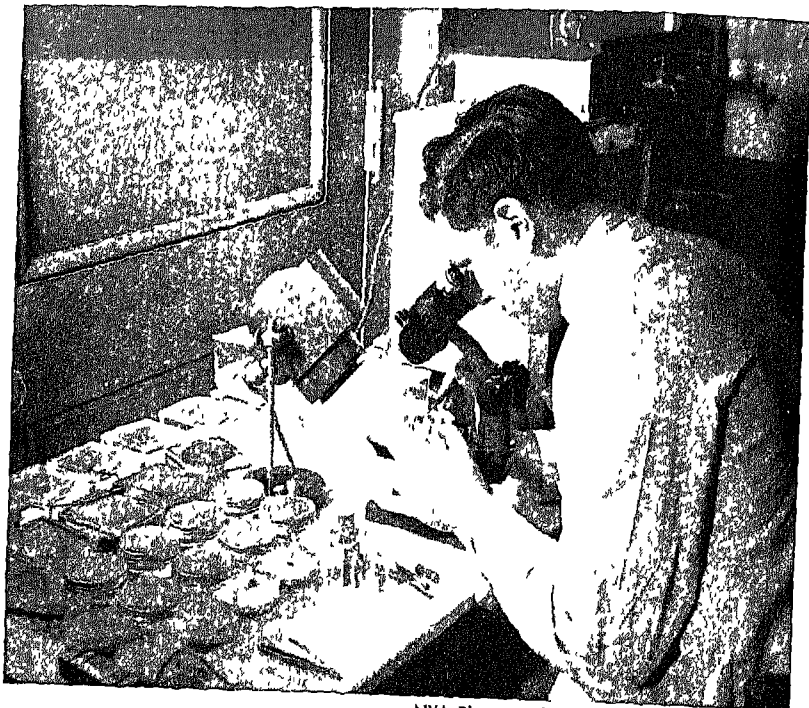
1. To provide funds for part-time employment of needy school, college, and graduate students between sixteen and twenty-five years of age so that they could continue their education
2. To provide funds for the part-time employment on work projects of young persons, chiefly from relief families, between eighteen and twenty-five years of age, the projects being designed not only to provide valuable work experience but to benefit youth generally and the communities in which they live
3. To encourage the establishment of job training, counseling, and placement services of youth
4. To encourage the development and extension of constructive leisure-time activities

In thousands of cases the student aid program has permitted the young people of low-income families to continue their education Quotas of students taken into the NYA program are based on the enrollment in each school School authorities select the students, and are held responsible for the supervision of the work in which the students are engaged Selections for student aid are made primarily on the basis of need The work they perform must be socially useful and not displace any of the school's regular employees Monthly benefits are generally uniform In secondary schools the maximum which may be earned is $6 00 a month College students are limited to an average of $15 a month and graduate students to $25 per month

In 1936 nearly 400,000 young people were receiving student aid benefits. Pupils are assigned to such tasks as clerical and office work, working in libraries, museums, assisting in laboratories, conducting forums, adult education classes, and special research The employment provided by the National Youth Administration has helped pupils to purchase textbooks, supplies, and some clothing

The National Youth Administration carries on work projects for unemployed youth in conjunction with local officials or public groups The work must be practical "A park board may desire certain landscaping done or improvements made to its playgrounds, a country school board wishes to have shelters erected along school bus routes to protect the children in inclement weather, the police department wishes to check the flow of traffic at a certain congested street intersection, a settlement house needs additional chairs and tables for its

educational classes—these among many others are jobs which the NYA can do to help public agencies." In 1936 about 185,000 young people earned an average of $16.15 per month working on such projects.

It is the ambition of most boys and girls who leave school to become full-fledged workers. The National Youth Administration quickly

NYA Photography Workshop, photo by Eagle

Another important activity of the National Youth Administration is to help students carry on their work in their special field of study. This science student is working in a college biological laboratory.

recognized their need for vocational guidance and job counseling. It has therefore established the Junior Placement Service with counselors on the staffs of public employment offices in 41 cities of 17 states throughout the country. These counselors interview the applicants for jobs between the ages of sixteen and twenty-five years of age. They analyze their training, ability, and experience, and help them find jobs for which they are suited.

Conclusion. These two important projects for youth are still being carried on though now overshadowed by the selection of young men for the armed forces. How many will be called, it is impossible to say, but, in any case, the trend of the past decade makes it clear that a

good deal of the responsibility for youth's economic problems has been assumed by the federal government

Unit Summary

Unlike the totalitarian powers, where the individual exists for the state or the racial group and has no meaning as a person, the democratic society has for its chief goal the all-around development of the individual It believes that man is important, just as do nearly all religions Democracy thus stands for freedom and for justice and to secure these values it needs persons who are mature enough to understand that the exercise of rights demands the acceptance of duties Therefore when we say "development of the individual" we mean what the philosophers call self-realization, or the development within a society, which is a very different thing from self-assertion, or purely selfish growth To create these mature persons, the United States has built up an educational system that seeks to take the children of all the people and to train their varying abilities to the best advantage both for their own sakes and for the future of the society This aims at the equal opportunity that we have emphasized and at the good character and appreciative attitudes that have been described

If our way of life presents such opportunities for us, it takes but little thought to demonstrate that we must keep it going for the next generation The tendency of youth to think that it is the last generation, and the only important one, is as absurd as the equally mistaken idea that no other youth group ever had such a hard struggle Every generation has had its battles, its successes, its failures—but it has been the added achievement of each that has made democracy grow in America It is this growth that is important and must continue When we find weak spots in our society, we should remember that the cure for the ills of democracy is more democracy

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest youth movement, social life, guidance, vocational training, CCC, NYA, Y M C A , placement service, conscription, Balilla, Komsomol, Hitler Youth

INFORMATION, PLEASE!

2 a. What are some of the most important problems which youth must face? b Why did so many young people wander aimlessly over the land during the depression? c. What problems do young people encounter when searching for work? d. Describe difficulties of youth in trying to develop satisfactory social relationships e. Explain the purposes of the Maryland survey, summarizing its findings and conclusions. f Describe the aims and accomplishments of the CCC g. How does the NYA benefit young people? h. What are the dangers of youth regimentation as developed in foreign lands?

CAN YOU THINK?

3 a What are the dangers of youth getting into "dead-end" jobs? b. How can we correct such conditions as pupils graduating from high school with no vocational training, or help those who have ambitions beyond their abilities, or aid those who desire work in fields where opportunities are limited? c What are some of the problems that affect rural and Negro youth? d Is there danger that some leader will organize the dissatisfied youth of our country for political purposes?

WE LEARN BY DOING

4 **Committee.** Let a committee of four or five students draft a "Creed for American Youth" Throw it open to class discussion

5 **A Special Report** Make a list of the most important youth organizations in the United States today, and their purposes See E Pendry and H Hartshorne, *Organizations for Youth,* or M Chambers, *Youth Serving Organizations*

6 **A Reported Interview.** Question a young man who has had experience in a CCC camp and report findings to the class

7 **A Written Report.** Find out all you can about the movement to abolish child labor Examine a copy of the Child Labor amendment How many states have passed it? Give arguments for and against the amendment

8 **Panel Discussion** Resolved That the National Youth Administration should be dissolved, because the money is being squandered by pampering young people and weakening their morale

9 **An Oral Report** Secure a copy of B Lindley and E Lindley, *A New Deal for Youth* and read chaps iii, v, vi, and vii for the story of the NYA

WE READ FROM OTHER BOOKS

10. **General Readings** Consult *Building America,* "Youth Faces the World", "Youth, 4,000,000 Lack Jobs," *Fortune*, May, 1940, *Life Magazine,* January 6, 1938, *The Civilian Conservation Corps,* American Youth Commission Pamphlet, Washington, D C, H Bell, *Youth Tell Their Story*, Maryland Survey, D Kingsley, *Youth in the Depression*, University of Chicago Pamphlet, M Stewart, *Youth in the World of Today,* Public Affairs Pamphlet, No 22

11. **Careers for Youth** Consult J Catter and H Brecht, *Careers Ahead*, C Filene, *Careers for Women*, D L Harley, *Youth Finding Jobs*, Office of Education, Department of Interior, M Lingerfelter and H Kitson, *Vocations for Girls*, E Lockhart, *My Vocation*, T Nall, *Youth's Work in the World*, W Pitkin, *The Chance of a Lifetime*, W Pitkin, *New Careers for Youth*, W Price and Z Ticen, *Index to Vocations*, W Rosengarten, *Choosing Your Life Wish*

12 **Youth Movement in Foreign Lands** Consult P R Hanna, *Youth Serves the Community*, chap viii, M Hindus, *Humanity Uprooted*, chap xiii, M D Hoffman and R Wanger, *Leadership in a Changing World*, 312-323, K Holland, *Youth in European Labor Camps*, T Winslow, *Youth, a World Problem*, Superintendent of Documents

13 **Popular Readings** Consult A E S Beard, *Our Foreign-Born Citizens*, E Bok, *The Americanization of Edward Bok*, J A Fairbank, *Rich Man, Poor Man*, B C Forbes, *Men Who Are Making America*; E B. Hamilton (ed), *How They Started*, C A Miller, *Eighteen, The Art of Being a Woman*, Lilo Linke, *Restless Days.*

UNIT II

EACH INDIVIDUAL MUST MAKE HIS ECONOMIC PLACE WITHIN THE FRAMEWORK OF THE AMERICAN ECONOMIC SYSTEM

****

5. THE AMERICAN ECONOMIC SYSTEM, SINCE THE RISE OF INDUSTRIALISM, HAS BEEN BASED ON CAPITALISM
6. THE RESULTS OF THE AMERICAN ECONOMIC SYSTEM ARE BEING ANALYZED AND FITTED INTO A SYSTEM OF DEMOCRATIC CONTROLS
7. THROUGH ORGANIZATION AMERICAN LABOR HAS SOUGHT TO GAIN A SECURE POSITION

CHAPTER 5

THE AMERICAN ECONOMIC SYSTEM, SINCE THE RISE OF INDUSTRIALISM, HAS BEEN BASED ON CAPITALISM

★★★

Young boys and girls step from school into a world they didn't make and don't know This world, with all of its political, social, and economic aspects, is the product of the ideas and practices of countless millions of people To try to understand it, we attempt to describe it To describe it, we catalog and analyze its outstanding features Since youth's first concern is a job, let us consider the system in which this job must be found

★★★

The Development of Our Economic System

Economics Economics is the study of the ways in which man earns his living and satisfies his wants By this process of earning and spending man becomes a part of the economic system in which he lives So it is that the study of economics must include the production and the distribution of goods for human use The distribution of goods may be accomplished by use of some medium of exchange which is usually called money Many different things have been used as a means of exchanging goods in the past The ancient world used cattle, iron, and lead just as the American colonists used tobacco, wheat, wampum, and beaver pelts In modern history gold has replaced these forms of money because of the advantages which gold has over each of them It has a real and stable value, indestructibility, divisibility, and small bulk Money seems necessary to modern economic systems

There have always been business men Miriam Beard says, "Millennia before Homer sang, or the wolf suckled Romulus and Remus, the bustling dankars [traders] of Uruk and Nippur were buckling down to business"[1] Many records of business transactions have been preserved The first use of tokens as money is believed to have taken place in Carthage They were in the form of leather Indeed, the business man occupied a leading and influential position in the ancient world But with the rise of Rome, under the leadership of warriors and tillers of the soil, the rule of the business man in the ancient

[1] Miriam Beard, *History of the Business Man* New York The Macmillan Company, 1938, p 12

Youth must be prepared to take its place in our industrial civilization.

Farm Security Administration, photo by Delano

world was destroyed, though he continued to exist in a subordinate position

The Manor. During the middle ages in Europe the business man with his ideas of gain and private initiative was all but swallowed up in the feudal system of the manor The manor was based on a system of mutual obligations The serf had a plot of land which he tilled for himself and it was customary for him to give three days a week to the tillage of his lord's land The lord in turn was obliged to protect the serf and his holdings from bands of robbers He also had to see that the serf had sufficient clothing, food, and shelter There was, therefore, a two way obligation That was the basic social control of the time Actually, as in many economic systems, the laborer was being exploited However, in the manor, production was chiefly for use, not profit, and the medieval idea was that one worked merely for a living and not to acquire surplus wealth. Thus there was no particular point in driving labor hard as long as there was enough for clothing and shelter

The Guilds The rise of towns in the fifth century brought with it the guild[1] system In this step away from the manorial system we find a return to the idea of a profit for the merchant guild Money was used in this process as a medium of exchange In addition to the merchant guilds there were craft guilds, protective associations of producers rather than of merchants These guilds regulated the production of goods, their price, and the rules for entering into the guild They set up standards for materials used and defined a just price, one that included the cost of material, a fair wage to the worker, and a profit that would allow the master to live on a decent standard

The manorial system decayed as the guilds grew and, as the merchant and craft guilds grew, the use of money also expanded. The serf discovered that his surplus could be converted into cash with which he could pay rent rather than work on the lord's land More time could be spent on his own land, thereby increasing his production In the place of the serf-lord relationship there grew the tenant-landlord relationship In some cases the serf was able to buy his land and his freedom

By the end of the Crusades at the beginning of the thirteenth century local economy, such as the manor and the guilds, no longer satisfied man's needs The Crusades brought Europe in contact with the

[1] Guilds The trade and manufacturing units of medieval towns especially adapted to local economy

civilization of the Near East with its fine spices, luxurious silks, and rich jewels. Very quickly Europe learned to use many of these commodities that until then had been unknown. Soon many were demanded as necessities. Trade became international.

The Rise of Money Economy. The bourgeoisie, or town dweller, furnished the capital needed in international trade. Money was needed to build ships, buy huge quantities of raw material and to open new markets.

The bourgeoisie were not hampered by the rules of the guilds because they were not members of them. They invested large sums at great risk in Mediterranean trading. They believed in their right to expect great profits. They also felt that they had the right to take care of themselves first and let the other fellow take care of himself. They thought that they should have the right to do with their property as they wished, because they were using it in this risky business of world trade.

By the fifteenth century the bases of modern economics had evolved. The town trading brought with it a money economy. The guilds had established the principles of monopoly. As they declined the old apprentice, journeyman, master craftsman system gave way to the modern capital-labor relationships. World trade made the bourgeoisie an important part of the nation. As Professor Seligman says, "The opening up of the through sea route to the East, the discovery of America, the revolution of prices, the growth of the wholesale trade and the infiltration of capital into industry were responsible for the disappearance of feudalism, the passing of the village economy, the decay of the guilds, the consolidation of peoples and the concept of national wealth."

As the bourgeoisie's power increased, the power of the feudal lord declined. The bourgeoisie did not have the right to own much private property, but they did have wealth which could be used by the kings and nobles. So, the bourgeoisie bargained for political power, mainly the political power that would insure the right of using their private property as they wanted. This struggle for middle-class representation in the state is the basis from which modern democracy sprang. It led directly to mercantilism, another economic system. This theory was based on the belief that it was necessary to have more money coming into the country than was going out. In order to maintain this favorable trade balance, as it was called, tariffs were passed to protect the home industries. In addition, colonies were founded to supply raw materials to the mother country at low prices. In return, they were to

buy the finished products at high prices To maintain this closed circle between the mother country and the colonies other nations were not allowed to trade with the colonies For over a century it worked to the advantage of the bourgeoisie, but it did not give them property rights The king maintained the power which allowed him to sell monopolies and to confiscate property

Political Rights and Economic Rights By the middle of the eighteenth century the middle class decided that political power was necessary if they were to control their private property This struggle for political rights went hand in hand with the struggle for economic rights By 1800, three events had aided the bourgeoisie toward this right The first was the publication of Adam Smith's[1] *Wealth of Nations*, a book on the *laissez-faire* ("let alone") theory of economics Smith declared that there should be no government interference with business The bourgeoisie should have freedom of enterprise The only duties of government were to keep peace, keep taxes low, and administer justice He believed with other utilitarian philosophers, such as John Stuart Mill, that intelligent self-interest would lead to social welfare Through man's desire to better himself he naturally would better the conditions of the society in which he lived Free competition would bring with it a fair and just price In this theory he denied that wealth consisted of money gained through a favorable balance of trade, but that it consisted of goods produced by land and labor The businessmen accepted this book as the basis of the new economic system

The second great event that gave control to the bourgeoisie was the French Revolution This was distinctly a social revolution Many thought that "equality, liberty, and fraternity" were to be applied to all Frenchmen They did not realize until later that it applied primarily to the middle class Royalty and nobility lost privileges and the middle class gained them Feudal and monopoly rights disappeared Liberty was established, but it was liberty for men to develop freely their power of accumulating wealth Private property became part of the law of the land As a result, the power of the bourgeoisie was firmly established in France The pattern had been made which was soon to be used by other nations

The third item that aided the middle class was the Industrial Revolution Steam and water became the motive power of large machines that could manufacture huge quantities of products Mass pro-

[1] Adam Smith, an eighteenth century utilitarian philosopher He believed that utility was the only basis on which to judge social institutions

duction became a possibility Combined with large scale enterprise, the industrialist had the power to produce in unlimited quantity Thus, by 1800, everything was ready for the new economic order based on individual enterprise The old principles of economics based on the fact that there never was enough goods to go around gave way to an economic system concerned chiefly with disposing of surplus goods at a profit.

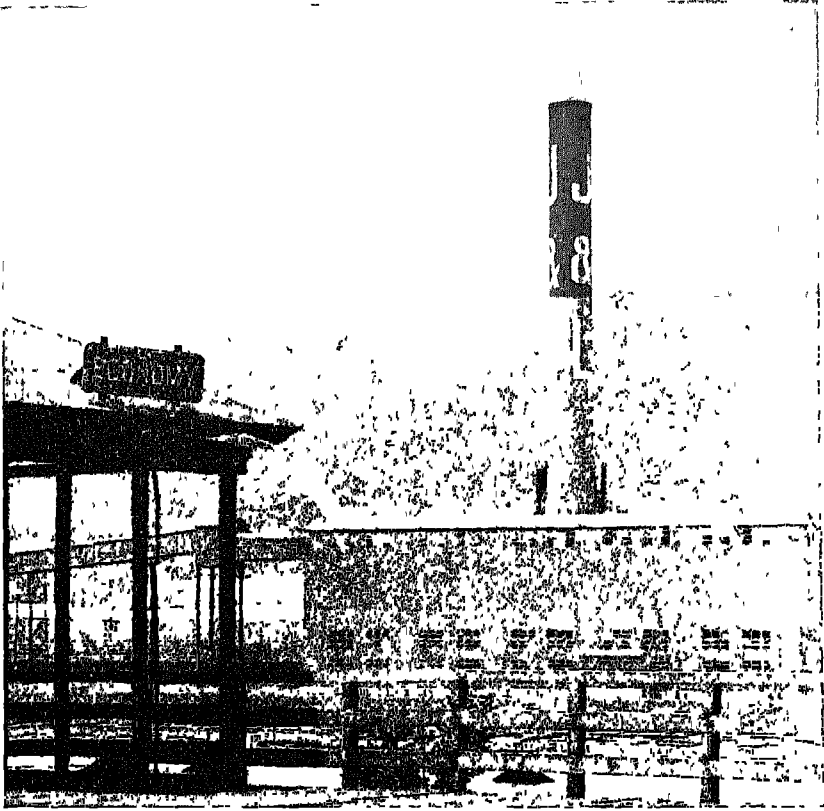
Modern Capitalism

Capital Capital may be defined as "wealth used productively for gain," that is, for the production of more wealth Capitalism is the system which directs that process Keep this definition in mind, and it will be clear that there is a great difference between the commercial capitalism of ancient times which used wealth to finance large scale selling, as did the East India Company of England, and present-day industrial capitalism which uses wealth to produce goods The latter form is only two hundred years old—really much less than that in the United States where it has become important only since the War between the States

Capital is used to provide the machines and equipment needed to create usefulness in the raw materials which come from the land Labor is provided by people who sell their services for a money wage, and these three factors in production—capital, labor, land—are brought together by management which may be, but today is usually not, the owner of the capital

Spirit of Capitalism. The spirit or economic outlook of capitalism is dominated by three ideas acquisition, competition, and rationality It is based on a belief in the ownership of private property and in the use of that property for a profit Acquisition of profits is fundamental, for no other desire the entrepreneur[1] may have—power, acclaim, the common good, love of action—has a chance of success without profits. Competition asks for freedom from regulation It puts a premium on the natural power of the individual and is closely associated with personal risk Rationality, or reason, calls for exact calculation, planning, and careful use of the best means to the desired end. When uncontrolled, capitalism is bold and ruthless, though it cannot be denied that it is built on the values of industry, thrift, and stability In the next chapter, we shall see that it is subject to a great deal of control in the United States

[1] Entrepreneur A French word for one who takes the risk

The Corporation Capital in industry may be organized as an individual enterprise, a partnership or a corporation In the last, a small group of individuals forms a corporation according to the rules set up by law, to conduct a certain business Legally, the corporation has all the individual rights of a real person This group which forms the

Farm Security Administration, photo by Rothstein

The modern steel plant has become a symbol of modern industry. The sign on the station is the name of the town originally on this site It is the only remainder of a community founded in the last century to preserve the craft-agricultural way of life

corporation sells stocks and bonds to acquire the money with which to start the business Stocks are shares in the corporation that anyone can buy unless it is a closed corporation They are issued in two forms common stock which has a lower value and which has no guaranteed rate of profit or dividends, and preferred stock which guarantees a certain amount of dividend. The stockholder is part owner in the corporation. The corporation also has the right to borrow money by

issuing bonds for sale The bondholder is not part of the corporation but one who has lent money to the corporation at a definite rate of interest on the principal which must be paid on a certain date

The advantages of incorporation are greater capital, limited liability for the directors and owners, easy transfer of ownership, and perpetual life Another advantage is that the corporation has the same rights as the individual These rights allow the corporation to do anything that the individual can do In turn, it places upon the corporation the same responsibilities as an individual must accept

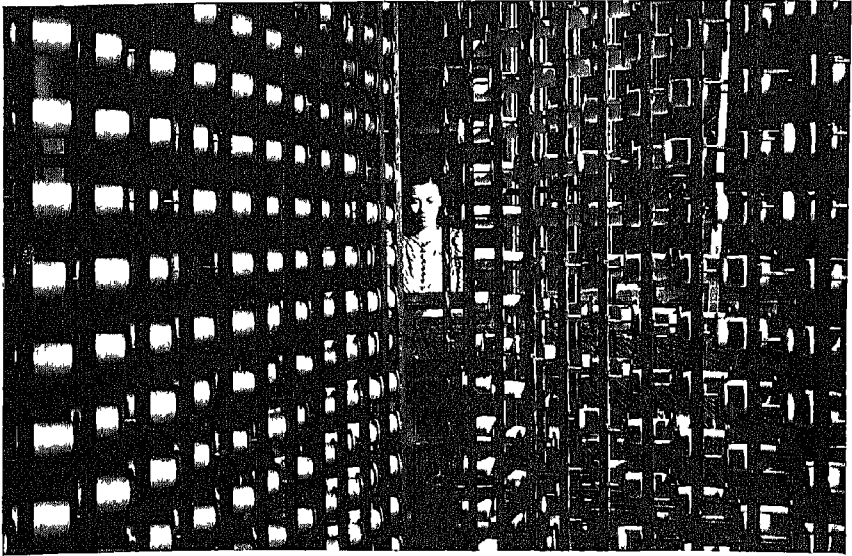
There are disadvantages to the corporate method of doing business The small shareholder usually knows little of the policy of the company and has very little to say about the formation of that policy. Most corporations are controlled by a few large stockholders or by the management This controlling group, in some instances, "watered" the stock for its own benefit Watered stock does not represent capital goods It represents nothing except additional shares of stock from which the controlling few receive profits

Mass Production The greatest importance of the corporation is that, by raising great sums of capital, it makes possible large scale production In addition to capital, large scale production is based on the use of power, rapid transportation, and the economies of mass production Mass production is made possible by automatic machines which tend to eliminate the production of things by hand. The commodities we use, by and large, are produced on machines that are tended by individuals needing little skill

Large scale production uses two basic industrial processes specialization, and the complex division of labor Specialization is not new in the industrial world It has been practiced for centuries Man began to exchange goods when he began to specialize in production Someone discovered that he could produce a single article well As he continued to produce it his speed of production increased, and he found that he could exchange his excess production for the goods that he needed These he acquired from other specialists

Today, each worker produces a small part of a product, or performs a small detailed operation In the automobile industry men spend their whole working day tightening one or two nuts on cars that pass before them on a continuous conveyor which is known as "the assembly line" In the radio industry, girls wind small coils of wire or assemble small condensors as their part in the manufacture of the modern radio This system of industry has advantages Each employee increases in skill and speed when performing one small part

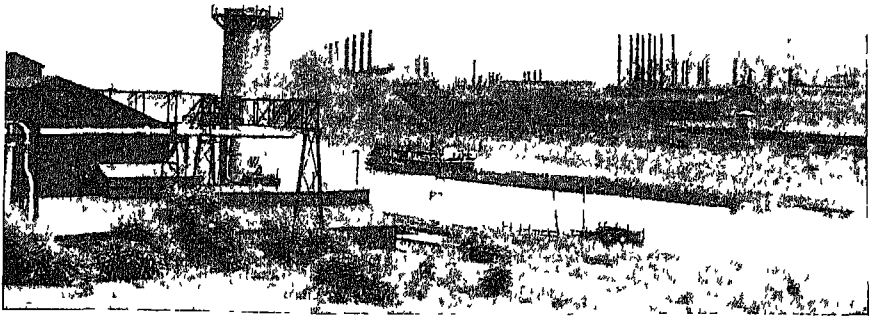
of the job Time is saved in the process of production Quite often the employee discovers methods of speeding up the task to a still greater degree With the increased speed of production there is a decrease in costs

There also are disadvantages in this method of manufacturing. The monotony of doing the same thing over and over again has a deadening effect upon some individuals All persons employed in our

Farm Security Administration, photo by Delano

The industrial revolution began with machine methods of making cloth. Today, as this picture of machine winding thread illustrates, the machine has become a major factor in our way of life

great industries feel the tension brought about by the speed of production They must be continually on the alert There is very little let-down during the working day Nervous disorders have increased among the workers One of the greatest losses to the employee is the inability to take pride in his workmanship He does not complete a whole product hence he cannot point to a thing with pride, feeling that there is a job well done Another disadvantage is the exploitation of women and children The manufacturer can use their nimbleness to better advantage than the strength of the men The result has been the promotion of child and woman labor Not only do they work with more speed but they also work for less money This has had a tendency to lower the standard of living in the past few decades Another disadvantage is technological unemployment The greater the number

of labor-saving machines, the less the number of workers needed Men who are laid off find it increasingly difficult to get new jobs

Large machines are much better investments when they work 24 hours a day However, only the producer working on a large scale can have them operating at this rate He can also buy in large quantities thereby saving on the cost of raw materials The largest industries in the United States have become integrated This means that such industries control all the steps necessary in the production of a

Farm Security Administration, photo by Rothstein

Great industrial plants like this steel mill on the Monongahela River have become the basis of American economic life

certain commodity They not only manufacture it, but they also produce the raw materials from which it is manufactured They own transportation lines which connect their sources of supply with their manufacturing plants The Ford Motor Car Company has carried integration as far as any other single organization It produces the steel that goes into the car The soy beans, which are grown on its many farms, are used in the manufacture of paints and composition And in the spring of 1938 Ford began to manufacture tires for his own cars

Large-scale industry also utilizes the byproducts of production These are produced from waste accumulated in the manufacture of the primary product When accumulated in quantity they can be sold at a large profit Soot becomes lampblack Sawdust becomes plastic wood The profits increase as this list of byproducts grows

Only large enterprises can afford research laboratories that aid in perfecting the product Loans for plant expansion or production are

easily secured when a large amount of capital goods can be used for security The nation-wide organization catering to a national market has selling advantages over the local manufacturer catering to a local market

Because of the scope of these industries, the small, independent business man finds it difficult to compete with them The independent grocer is becoming extinct because he cannot compete with the chain-store There are no small automobile manufacturers left About 80 per cent of all the cars made in the United States are made by three large corporations The small business man can survive only when he is in an industry that does not compete with large-scale production His greatest chance for survival lies in industries such as those in which there is a rapid change of style, those in which the skill of the artisan dominates, or where personal service is the basis. But even then the independent business man must conduct his business with efficiency based on low overhead and personal supervision in order to see a profit at the end of the year.

The Trend of Modern Capitalism

Competition. The basis of Adam Smith's economy is free competition operating the law of supply and demand Free competition is present when everyone who has goods to sell can compete The law of supply and demand works so that the actual demand can always be met with an actual supply of produce For example, if the demand for a product increased, the price would naturally rise When there is free competition, the increased demand brings more producers into the field, thereby increasing the supply and lowering the price If the supply increased beyond the demand, the price would become extremely low Under such conditions, the inefficient producers would be forced out of business, the supply would decrease, and the price rise Should the supply become smaller than the demand, the price would become very high, new producers would again enter the field, and the process would start over again The price, under such conditions, would hover around normal value It would be higher at times, and lower at other times, but always near the normal value This, of course, would be the situation when free competition was possible But Adam Smith did not take into consideration the results of the Industrial Revolution Large scale production has naturally led toward monopoly

Monopoly Monopoly exists when an individual or a group of individuals controls production to the extent of fixing the price of the

commodity. Practically all of our telephone systems throughout the country are controlled by one organization.[1] As a result of the lack of competition, this organization has practically complete control of the cost of service to the consumer. The public utilities of the nation are in the same position when they control the electric power and gas service in certain areas. The result has been that the government in some instances has taken over the job of regulating the prices charged to the consumer in order that rates stay within reason.

There are different types of monopolies due to the circumstances under which they come into being. The public monopoly is controlled and run by the government to serve the nation or the community. The postal service is an example of this type of monopoly. In many municipalities there are city-owned light and power plants which are operated on a cost basis.

There are privately-owned monopolies which are granted the right to function on a franchise from the government. These deal in public services such as public utilities, traction lines, or bus companies. They are established because the locality cannot afford to furnish the particular service. Since one organization should be sufficient to take care of the needs of the community, competition would be wasteful, hence such a company is given a monopoly. Prices are fixed by agreement between the locality and the organization selling that service. In all cases their aim is to give the public a service and the owner a legitimate profit.

However, the majority of monopolies are private businesses operating for profit alone. Some of these originate through the control of patents, copyrights, or franchises. A patent or group of patents or copyrights gives the industry the sole right of manufacturing a particular commodity. No other concern has the right to manufacture the copyrighted or patented article for a specified number of years. The owners of such a monopoly can easily fix the price of the commodity. One of the outstanding examples of this was the production of aspirin. The compound was perfected by a German chemical industry. The right to manufacture the product in the United States was obtained by one of the pharmaceutical supply houses. For years aspirin was sold at the fixed price of 25 cents per dozen. When the patent rights expired a few years ago and other manufacturers could produce the product, the price dropped to an extremely low point. Today,

[1] The American Telephone and Telegraph system controls 80 per cent of the phones in operation in the United States. It controls 50 per cent of the total phones in operation in the world.

because of free competition, most standard brands of aspirin sell for about 50 cents per hundred

How Combinations Are Formed. Other combinations are formed through the merger of competing concerns into one large organization which controls the supply of a single commodity[1] Some competition is eliminated and the power to fix prices may be acquired. The merger has several recognized forms A loosely-knit organization which fixes the price of the single commodity is known as a pool The member corporations agree to a certain price and then divide the sales territory or the earnings of the entire group This practice not only has a tendency to fix the price but in many cases it brings about definite limitation of production in order to set the price at a high level

The trust is another form of merger The stocks of competing companies are turned over to a board of trustees who control the combined companies. In return for the stock, they issue to the stockholders trust certificates which yield a profit in the earnings of the trust The most common form of combination is the holding company This company does not own the plants of the various units of the organization, but merely the majority of their stock Because of this control it has the right to issue its own stock which pays dividends on the combined enterprise These combinations are for the purpose of acquiring more profits by eliminating competition and by the advantages of large-scale production

The greatest advantage of monopoly is the use of the methods of large-scale production Production on a large scale cuts the cost of production and a part of these lower costs are passed on to the consumer However, large-scale production can be carried to an extreme, resulting in over-capitalization, inefficient management, and diminished returns Over-capitalization means that the plant and the equipment represent such a large cash outlay that it becomes difficult to make a legitimate profit on the investment Inefficient management increases the cost of production thereby decreasing profit Both lead to diminished returns

Anti-Trust Legislation. The government has at various times enacted legislation to regulate these enterprises In 1890 the Sherman Anti-Trust Law was passed Any organization that became a monopoly and prevented free competition (restraint of trade) was illegal It is evident that the idea behind this law was to destroy monopolies As this could not be done, succeeding legislation attempted to regulate

[1] The merging of a number of automobile manufacturers into The General Motors Corporation is a perfect example of a merger

rather than destroy In 1914 the law was supplemented by the Clayton Act It attempted to define when competition was unfair, to eliminate conditions that limited competition, and to prohibit holding companies under certain conditions It did not question the legality of "good" monopolies It defined what a "bad" monopoly was and what the penalties for such a monopoly would be Also in 1914, the Federal Trade Commission was established It had the right to investigate claims of unfair practices If such were found, and were not stopped, the Commission could publish its findings This practice did not stop the faulty action of the corporations, so the Wheeler-Lea Act of 1938 was passed to strengthen the powers of the Federal Trade Commission

These efforts of the government have not been completely successful in eliminating the bad practices of monopolies In 1933 the anti-trust laws were suspended with the hope of aiding in recovery Corporations were allowed to make agreements fixing prices of their commodities If some of the practices of the monopoly would aid in recovery, we were willing to accept them

In 1935 the Public Utilities Act was passed This was another attempt to curb the malpractices of monopolies by eliminating within three years most of the holding companies that do business through a network of operating companies These holding companies were controlled through a third kind of capitalism—financial capitalism This style of capitalism is interested not in profits from sales of goods (commercial capitalism) nor from production of goods (industrial capitalism), but in profits from trading in securities of operating companies and selling services to them

In April 1941, the Temporary National Economic Committee finished its investigation of nearly three years into the monopoly control of industry As its conclusion, the Committee recommended that the government proceed against monopoly through

1 Additional funds for the Justice Department's Anti-trust Division and the Federal Trade Commission
2. Higher fines for corporations and officials guilty of violating anti-trust laws
3 New legislation to limit corporate mergers
4 Laws making patents available to anyone willing to pay for them
5. Federal registration of trade associations to stop any price-fixing activities

Conclusion In all its attempts the government is primarily interested in putting a stop to the misdeeds of monopoly It realizes that

monopoly is part of the economic system of today. It also realizes that there is need for social control when competition ceases When business organizations do not impose their own control then it seems essential for the government to enforce regulations in order to protect the welfare of the society When large enterprises control vast amounts of wealth, it is doubly necessary that they be made responsible to society

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest social control, satisfaction of work, entrepreneur, bourgeoisie, labor, capital, means of production, monopolies, price fixing, large-scale production, integrated industries, financial capitalism

INFORMATION, PLEASE!

2 a What is the study of economics? b What sort of social control existed in the feudal system of the manor? c What events aided the middle class to obtain political and economic rights? d What ideas are basic to capitalism? e What advantages are there in incorporation as compared to partnership? f What is the importance of large scale production to the United States? g Is monopoly a natural trend of business in the United States? h How do the functions of different types of monopoly vary? i. Compare financial capitalism with industrial capitalism

CAN YOU THINK?

3 a The mercantile system of economics outlived its usefulness by the end of the eighteenth century Explain the meaning of the above statement, showing how it has been proven to be true b Three factors, namely the French Revolution, the Industrial Revolution, and the philosophy of Adam Smith, led to the coming into power of the bourgeoisie Explain this interplay of forces, showing how it naturally led to this outcome c There is a definite need for a reinstatement of some type of social control Explain the various types of social control that have been used in the past—why they have been lost, and why there is need of such control at the present d The government differentiates between good and bad monopolies It does not attempt to restrict all monopoly Explain why they make this differentiation and why some monopolies are not restricted or regulated in their activity e The present economic system is supposed to be based on the let-alone philosophy of Adam Smith Is this true in practice? Give examples.

WE LEARN BY DOING

4. **Report.** Have one pupil give a report on Thurman Arnold's *The Folklore of Capitalism,* to be followed by a report on George Sokolsky's *The American Way of Life,* in order to see the two different points of view of the authors

5 **Topic.** A written report on the economic ideas of John Stuart Mill or Jeremy Bentham

6 **Interview.** Interview a member of your Chamber of Commerce on the topic, "The major problems of business and industry at the present time"

7 **Essay.** Trace the development of the concept of freedom of enterprise from the time of the Renaissance to the twentieth century

8 **Floor Talk.** Prepare a talk on Adam Smith and his Theory of Normal Value, with blackboard diagrams, showing its application or lack of application to present-day economic systems

WE READ FROM OTHER BOOKS

9 **Historical Background** J Corbett and M Herschkowitz, *Modern Economics,* Unit I, H Hill and R Tugwell, *Our Economic Society and Its Problems,* chaps i-iii, L Huberman, *Man's Worldly Goods,* E Perret, *Man's Work and World,* chaps vi, viii, xi, xvi

10 **The Organization of Business** W Atkins and A Wubnig, *Our Economic World,* chap xix, J Dodd, *Introductory Economics,* chaps vii-viii, H Hill and R Tugwell, *Our Economic Society and Its Problems,* chaps xiii-xiv

11 **The Profit Motive** J Corbett and M Herschkowitz, *Modern Economics,* Unit II-V, J Dodd, *Introductory Economics,* chap xxiii, G Sokolsky, *The American Way of Life*

12 **Factors That Do Not Promote the Common Welfare** T Arnold, *The Folklore of Capitalism,* H Hill and R Tugwell, *Our Economic Society and Its Problems,* chaps xv, xvii, xxvii

13 **Monopoly** T Arnold, *The Bottlenecks of Business,* H Kidger, *Problems of American Democracy,* chap vii, J Klein and W Colvin, *Economic Problems of Today,* Unit IX, H Patterson, A Little and H Burch, *Problems in American Democracy,* chap x

14 **Biography** M Josephson, *The Robber Barons,* A Nevins, *John D Rockefeller The Heroic Age of American Enterprise,* I Tarbell, *History of the Standard Oil Co*

CHAPTER 6

THE RESULTS OF THE AMERICAN ECONOMIC SYSTEM ARE BEING ANALYZED AND FITTED INTO A SYSTEM OF DEMOCRATIC CONTROLS

★★★

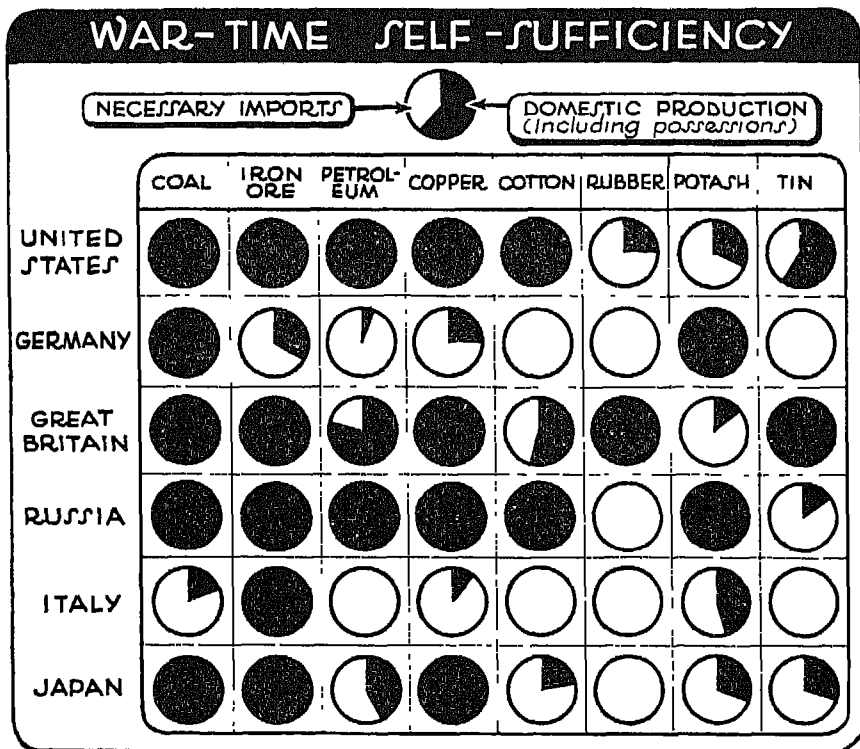
The first principle of a successful democratic society is unceasing vigilance for the *general welfare, "the greatest good for the greatest number."* Most people agree with generalizations like this. But when it comes to analyzing whether an actual economic system like that of the United States meets this standard, there is real difference of opinion. It is in this field that arise the greatest controversial problems of American democracy.

★★★

The American Scale of Living

How to Judge Scales of Living. Any judgment on the American economic system depends first of all on this question: How high a scale of living does it give to the people of the United States? To answer this, we may compare the American scale of living with that in other countries or set up an imaginary standard and find out how nearly we have approached it. Obviously, if we use the first basis, our answer will be that the American system is very successful. But certainly, if we use the second, our answer will have to be somewhat less satisfactory. For example, the Bureau of Home Economics in the Department of Agriculture has estimated that in the United States an income of $3,500 per year would give a satisfactory standard of living to a family of five. If we take this figure for our standard, the only conclusion would be that our economic system is a failure, since only 26 per cent of the families reached this level, even in 1929. The important point here, however, is whether the figure assumed is a valid one. Let us consider this problem from both points of view.

Comparisons with the World. All the world says that the United States is the greatest nation on earth. It isn't the largest, either in size or population. Its area, with all its possessions, is only 7 per cent of the land area of the world compared to 33 per cent for the British Empire and 14 per cent for the Soviet Union. Its population of 130,000,000 is small as compared to the 450,000,000 Chinese, 353,000,000 Indians, and 170,000,000 Russians. It is not even first in

potential natural resources if we think of the British Empire, the Soviet Union, South America, and Africa What has made it great in economic achievement is a combination of land area, a resourceful population, a great agriculture, adequate resources except in a few materials, efficient industry, and a form of government that has stimulated and brought these elements to work together

This leadership can be demonstrated statistically[1] by comparing the per capita share for persons in the United States with the share for persons in the rest of the world in known natural resources, production, and products in use Resources are the gift of nature, though finding them is up to man, and should be discounted, but production is one test of any economic system In this category, the magazine *Fortune* lists 18 products including gold, wheat, aluminum, coal, movie attendance, telephone frequency, and motor vehicles In all these products the United States has a per capita advantage that is amazing The lowest, production of gold, shows a 7 to 3 lead while the highest, production of motor vehicles, shows an advantage of 37 to 1 How-

[1] *Fortune*, February 1940

ever, it is the third category, that of products that are actually in use, that is of the greatest significance, for this is the real measure of the American scale of living The leadership here is even greater than in known resources or production In cotton spindles and merchant marine the ratio is 3 to 1, in railroad lines, about 7 to 1, in miles of highways and telephones, 8 to 1, in radios in use, 18 to 1, in motor vehicles and motion picture theaters, 33 to 1, in nonmilitary airplanes, 43 to 1, and in bathtubs, 140 to 1

Comparisons with Other Countries. If, instead of basing our comparisons on the peoples of the world and thus including primitive nations, we choose individual countries, the general picture remains the same Tracy[1] points out that there is 1 telephone for every 7 persons in the United States to 1 for 20 in Germany, 1 for 120 in Italy, and 1 for 280 in Russia, that there is 1 radio for every 5 persons in the United States to 1 for 8 in Germany, 1 for 55 in Russia, and 1 for 62 in Italy Or suppose all the people in these countries should want to move at one time by motor car, how many would ride, how many would have to walk? In the United States all could ride, in Germany 1 could ride, 10 would walk, in Italy 1 could ride, 20 would walk, and in Russia 1 could ride, 150 would walk There can be no doubt about the ability of the American economic system to produce and to provide goods over and above the necessities of life

Comparisons with the Past. This productive power is the product of continuing progress in efficiency, even during the past decade This progress has taken place on many fronts Engines are more efficient. Automobile tires for light cars go more than twice the number of miles they did in 1920 The productivity of workers in agriculture and industry has consistently increased Industrial research uses about four times as many workers as it did in 1920 And with these advances there has been an expansion of the power to consume Men and women own more pairs of shoes, women have more pairs of silk stockings, more homes have vacuum cleaners and bathtubs, all as compared with 1920 High-school attendance and college enrollment have risen in the past 20 years These gains have been made during our most severe depression and go far to support the belief that the American production is capable of continued growth Progress is a characteristic of our history One man writes[2] that, while the population of the United States has increased about 40 times since 1790, the produc-

[1] M E Tracy, *Our Country, Our People, and Theirs*, New York The Macmillan Company, 1938

[2] Carl Snyder, *Capitalism the Creator*, New York· The Macmillan Company, 1940.

tion of the country has increased more than 100 times. Even if this latter figure is approximate, there can be no other conclusion than that the scale of living in this country has moved upward tremendously Adults with reasonably long memories can testify that this is true in their own lifetimes and a study of our social history will confirm this point.

Distribution of the National Income

National Income. Another method of surveying the present system is to analyze the distribution of income

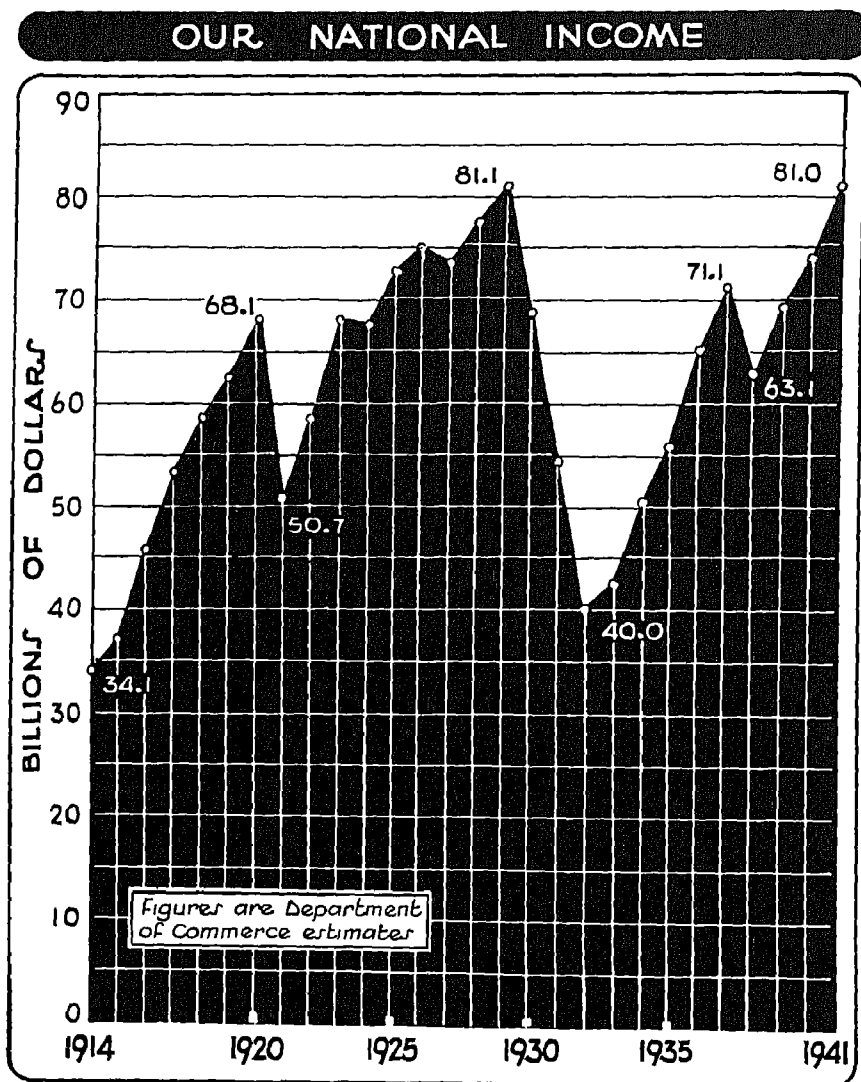
As the chart (page 84) shows, there was a steadily increasing national income until the year 1930, the beginning of the depression Then until the year 1932 there was a continued decline in the national income The figures then show a steady rise From 1922 to 1940, the highest national income was reached in 1929 The Brookings Institution, one of the great economic research institutions, has analyzed this national income Its findings, and those of other groups, show the other side of our economic picture

The high national income of 1929 does not mean that year is indicative of the maximum that can be produced in the United States Even then we used only 80 per cent of our industrial capacities In fact, we have never produced at the maximum load of our present equipment If we had, we would have created an additional income of 113 billions during the years from 1922 to 1929 and an additional income amounting to 135 billions between the years 1930 and 1931 Hence, there is a possibility of much greater wealth in the United States than has ever been produced

Distribution of Income Nevertheless, in the land of such great resources many of the people did not have enough to eat during the year 1928. Twelve out of every 100 families lived on an emergency diet and 62 out of every 100 lived on a subsistence diet If we translate this into terms of dollars it is found that.

1,000,000 families (of five) lived on less than $100 per year for food
3,000,000 families lived on an emergency diet, $350 per year
13,000,000 families lived on a subsistence diet, $500 per year
4,000,000 families lived on an adequate diet, $800 per year
2,000,000 families lived on a liberal diet, $1200 per year

In 1929, 6 million families received an annual income of $1,000 or less Twelve million families, in which were included the above 6 million, received $1,500 or less a year Sixteen million families re-

ceived $2,000 or less per year, and 19 million families, or 71 per cent of the total number of 27 million, received an annual income of $2,500 or less Only 1 out of 12 families received as much as $5,000 per year One-fifth of the entire income of the nation went to 220,000

families The 36,000 families at the top of the income brackets received as much income as did the 12 million families that received $1,500 or less per year These figures are not very different from those for any year in the past decade

Effects of Inadequate Income. If an adequate income for a family of five is considered to be $1,800 per year, then in 1929 only 40 per cent of the families of the nation could live adequately Not only was this true of food and, to a less degree, of clothing, but also of health In our most prosperous year, 90 per cent of the people went without physical examinations, 80 per cent went without dental care, and 50 per cent did not call in a physician when they were ill Obviously a great many people in our country do not have an income that insures or protects health

The effects of this uneven distribution of income are further reflected in the savings of the nation

SAVINGS OF NON-FARM FAMILIES

Families	*Income*	*Savings*
750,000	Over $10,000	$10,000,000,000
1,500,000	$5,000– 10,000	2,000,000,000
5,250,000	2,500– 5,000	2,000,000,000
6,750,000	1,500– 2,500	500,000,000
7,500,000	Under $1,500	No Savings

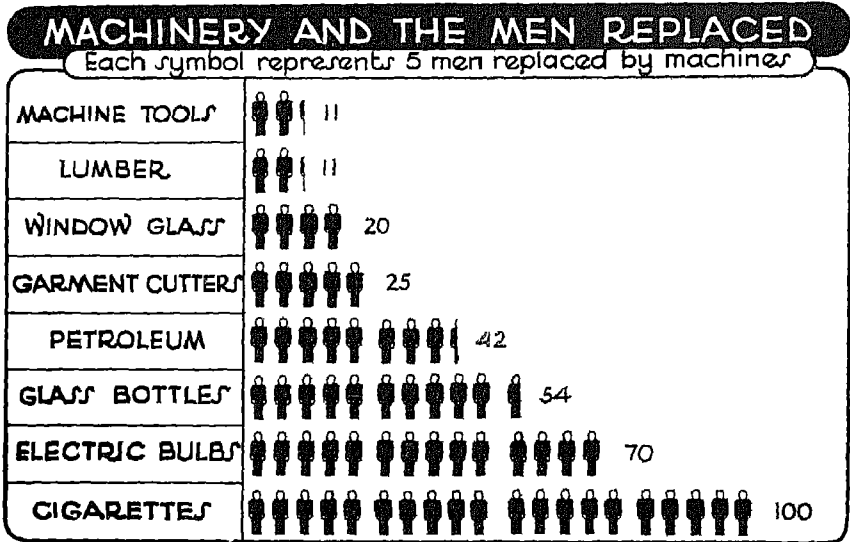
If this is translated into percentage of income saved, then there is further evidence of the mal-distribution of wealth

PER CENT OF INCOME SAVED

Income	*Per Cent of Income Saved*
Over $4,600	37½%
$3,100– 4,600	17½%
2,450– 3,100	12½%
2,000– 2,450	10 %
1,700– 2,000	7½%
1,450– 1,700	5 %
Below $1,450	Practically none or in debt

This second chart shows that the greater the income the larger the percentage saved and also, the larger the amount saved As the income level decreases there is also a decrease in the percentage and the amount saved The man with the average income is spending practically all of it to obtain the necessities of life and in many cases his income is too small to get even these

One thing which has affected incomes is the wide use of technological advance by industry Owing to the invention of labor-saving machinery, the cost of production has decreased For example, in 1929 it cost $4 00 to make an automobile door In 1937 it cost 15 cents Not only has the cost of production been lowered in other commodi-

ties, but it has been accomplished by the use of labor-saving machines which have replaced a great number of men. The chart shows some of the industries in which machines are now in use and the number of men replaced

These labor-saving machines have cut the cost of production Under free competition this would mean an automatic cut in the price to the consumer However, the retail prices showed no drop between 1922 and 1929 [1] The wholesale price went down a little The producer kept the greater part of the difference in cost of production It was divided three ways, 20 per cent of it went into additional profits, 40 per cent went into wage increases, and 40 per cent was used for the cost of replacement of equipment

Technological advance brings about technological unemployment It also results in the employment of a semi-skilled and unskilled class of labor, since labor-saving machinery lessens the need for skilled labor Hence, there is a decrease in the cost of production through the employment of labor that receives lower wages

There is another side to technological advance In the first place, it has made possible the wide distribution of more and better consumers' goods at ever lower prices It has enabled industry to produce at such a rate that more and more leisure time is available for the workers Finally, technological advance has created as well as displaced

[1] See R and O Goslin, et al, *Rich Man, Poor Man* and Public Affairs Pamphlet, "Income and Economic Progress"

employment. Because it makes cheap production possible, more people can buy the goods produced. And even though one machine does the work of 100 men, if 1,000 machines are needed to fill the demand for goods which formerly was satisfied by 100 men the net result is work for more men.

The automobile is an example of an industry of this last sort. The automobile displaced the carriage. But many more thousands of men are employed making automobiles than were ever at work in the carriage shops. And as the cost of automobiles goes down, more people buy them, and the men who would have been displaced by labor-saving machinery are needed to produce enough to meet added demand. In other words, technological advance works two ways, depending on the conditions in which it applies.

In the final analysis, when American production is contrasted with the rest of the world this unescapable fact becomes apparent: "the American economic system works better than any other in the world —for the 77 per cent who belong to it."[1] The 23 per cent made up of unemployed and unemployables and of workers below subsistence level, create a serious challenge American democracy must meet.

Democratic Controls in Our Economic System

Democratic Controls. From the point of view of democratic society the purpose of any economic system is to supply the necessities of life and as many of the comforts as possible to all the people. The preceding sections of this chapter have shown that our system has productive power enough for this task but that it has not accomplished it for a large part of the people. It has also been shown that capitalism, the dominant force in our economy, rests on the ideas of profit and freedom from restraint. Freedom in this field has been called "rugged individualism," a phrase which carries not only the idea of liberty but also of risk.

For a long time after the Civil War, when the political supremacy of the federal government had been established, an often asked question was, should this government have and use its power in the economic world to see that business freedom was exercised within the limits of the public good? This is still a problem. The question here is similar to many in the realm of personal liberty. A person has the right of free speech but must not use that right to harm others. Applying the same principle to the economic world, you could say that a

[1] *Fortune*, February 1940, p. 91.

"right to a profit" stops when it becomes a right to destroy the profits of another

When industry itself, or labor, or the state or federal governments sets up limits to rights, whether personal or economic, it is establishing social controls In our society we may call them democratic controls. Usually, it is government which exercises this control Since the time the Granger laws attempted to regulate railroad rates, many business men have felt that the government's efforts to set up economic controls usually were nothing more than meddling and interference with their economic rights

Government and Business There are four points of view that are commonly held on the proper relationship of government to business

1 Government should allow business to develop and grow without restraint This is called the *laissez-faire* theory, and was the basis of Adam Smith's teachings According to this theory, business would regulate itself because of self-interest If a concern made poor products, no one would buy them If it paid low wages, no one would work for it Competition would force these results
2. Government should allow business to control itself by codes under government supervision. Here the anti-trust laws would be suspended and a system resembling the National Recovery Administration set up This experiment of the early New Deal allowed the different industries to fix prices, wages, hours, and business practices The law was found unconstitutional by the Supreme Court but the constitution could be amended Few people seem to hold this point of view today
3. Government should regulate business whenever Congress finds such regulation necessary Those holding this position would use the anti-trust laws to break up monopolies and would regulate other businesses in many ways
4 Government should own and operate the important agencies of production and distribution This theory is called state socialism Most countries have adopted this idea for some kinds of business In the United States, we have public ownership of the schools, most water supply systems, and some utilities as examples

The real struggle in the past 70 years of American history has been between the idea of *laissez-faire* and that of government control with some government ownership. The first industry to face this fight was the railroad industry In the end government won, after many laws

and court tests. Today the railroads are very closely controlled by government. It is true that the railroads differed from other businesses in that the government had given them considerable assistance when they were being built. But they are public utilities, and they are also engaged in interstate commerce. These considerations made it seem much more natural that the government should control railroad rates than that it should fix the price of metal, or coal, or oil. Nevertheless, demands from the farmers, labor, and the consumers influenced Congress and the state legislatures to attempt to regulate other businesses. The Sherman Anti-Trust Act was passed only three years after the Interstate Commerce Act, but the courts have been much less willing to allow the regulation of businesses that produced goods than they were of businesses that transported them. However, recent decisions have swept away all doubts on this subject. It is a fact that today Congress does control business in the United States in nearly any way it sees fit. The question of social control today is not one of who has the power but rather of what is wise. All through this book you will find examples of controls based on law which the power of political democracy has set up as stop signs in the field of our economic system.

Self-Imposed Control. Besides this government regulation, there is also an increasing amount of self-imposed control. Trade associations, institutes, exchange boards, and other groups have been founded to raise the standards of different enterprises. Many industries realize their obligation to their workers and to the consumer. They market a good product for a reasonable profit. They know that it is good business to have well-paid, satisfied employees. When a Senate committee studied profit-sharing plans in 1938-1939, it found 728 companies that had something of the sort. One of the most advanced was that of the Nunn-Bush Shoe Company where labor received a fixed percentage of dollar production. The Richman Brothers Company of Cleveland and the Endicott-Johnson Shoe Company have always considered the welfare of their employees and have paid adequate wages. These experiments show what may be called the broadening social base of capitalism.

Higher Wages or Lower Prices? Through these different types of control, many of the problems of our economic world have been approached. To meet the all important problem of the inadequate scale of living, the two solutions of higher wages or of lower prices have been weighed. Raising wages does not seem to be the answer. If the wages were raised, it would affect only 40 per cent of the workers of the United States. The other 60 per cent, which includes the farmer

and the small business man, would not be affected in so far as increased purchasing power is concerned. The theory of raising wages to increase consumption was used by the NRA. It did not work because higher wages increased prices rather than consumption.

On the other hand, lowering prices is quite in line with the classical capitalist theory. Here is how that theory explains the effect of lower prices. Low prices do not mean lower profits, for the resulting increase in consumption would stimulate production and this, in turn, would lead to increased sales and employment. Not only could the wage earner buy more, but the farmer would become an active consumer again. This would help to re-establish the balance between rural and urban society. Such a plan would lead to greater mass earnings and greater gross profits for the manufacturer. Although the profit per unit would be less, the lower price should increase sales to the extent that the gross profits would be larger than under the present price-fixing system.

Those who believe in this theory of lower prices apply it to the problem of technological advance in this way. The actual lowering of prices when made possible by technological advance is the only cure for technological unemployment. People have just so much money to spend. If they can buy a radio at half what it cost before, they have money left to buy an electric range. If the range goes down in price, they can buy a vacuum cleaner, too. In other words, the lowering of the price of one article provides a market for a new article. Soon what was once a luxury becomes a necessity, simply because its price is lower. Now the men who were laid off by the machine that made possible the lower price will be able to find jobs in a new industry because a market is ready. Industrial price cutting actually increases the purchasing power, and a high purchasing power must result in a high rate of consumption and an improved labor demand. This surely is the way that our economic system has improved the scale of living of the people in the past. How many motor cars could be sold today at $2,000 each? Or how many radios at $200 each? The lower price has sold cars and radios by the millions, building up huge industries that employ thousands.

Conclusion. The democratic philosophy is one of balance. It needs the conservative and the liberal. In the economic field it needs the freedom and drive of private initiative tempered by the justice and care for all that comes from co-operation and social control. Our economic system changes and the system of the future will not be built

on a theory, but will be reached by practical compromises between these forces of freedom and justice that are basic to democracy.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest scale of living, national income, natural resources, adequacy, subsistence level, emergency diet, savings, technological change, concentration of wealth, idle capital

INFORMATION, PLEASE!

2 **a** How does the American scale of living compare with that of the rest of the world? **b** Why has there been an increased interest in the study of the distribution of national income? **c** Why should we feel that 1929 national income is not to be considered as the ultimate goal of our capacity to produce wealth? **d** How was the national income distributed in 1929? **e** Explain how low income reacts on food, shelter, clothing, and medical care **f** What is the relation between savings and income? **g.** Why is buying power so essential in our modern society? **h** Has technological advancement lowered the price to the consumer? If so, to what extent?

CAN YOU THINK?

3 **a** Although the United States is the wealthiest nation in the world, still 71 per cent of its families receive an annual income below that necessary for a wholesome standard of living How do you explain such a paradox? **b.** Some people claim that technological change has aided society by raising the standard of living, while others claim that technological change has caused unemployment and insecurity Weigh all the facts pro and con and build a case to support one or the other conclusions **c** There has been an increasing concentration of wealth in the United States and with it a seeming increase in the lack of social control Why should there be a correlation between these two factors? **d** Raising wages does not necessarily increase the purchasing power of the people Explain fully why this is true, showing why it cannot solve our problem in this particular case What seems to be the solution to this problem?

WE LEARN BY DOING

4 **Graph** Make a graph, showing the fluctuation of national income from 1929-1940 Find material for this in the *World Almanac*

5 **Chart.** Make a chart of the incomes of the families of the United States: a Height of block representing the amount of money received b. Breadth of block representing the per cent of families in each group

6 **Graph.** Make a graph showing the concentration of corporate wealth in the United States (See F Lundberg's *America's Sixty Families*)

7 **Summary.** Make a summary of the charts found in the *Consumers' Guide* of September, 1938

WE READ FROM OTHER BOOKS

8 **General Readings** W Atkins and A Wubnig, *Our Economic World,* chap xiv, W Beard, *Create the Wealth,* chaps iv-v, J Corbett and M Herschkowitz, *Modern Economics,* Unit XI, Part I, R and O Goslin, *Rich Man, Poor Man,* R Gavian, A Gray, and E Groves, *Our Changing Social Order,* chap xx, R and O Goslin, *Don't Kill the Goose,* H Hill and R Tugwell, *Our Economic Society and Its Problems,* chap xiv, J Klein and W Colvin, *Economic Problems of Today,* chap xviii, M Levin, H Moulton, and C Warburton, *America's Capacity to Consume,* H. Sloan, *Today's Economics,* chap xvii

9 **Pamphlets and Magazines** *How We Spend Our Money,* Public Affairs Pamphlet No 18, revised *Income's the Thing,* Educational Research Project No 15, University of Chicago, *Income and Economic Progress,* Public Affairs Pamphlet No 1, *Your Income and Mine,* Public Affairs Pamphlet No 20, *Your Money and Mine,* Foreign Policy Association, May, 1935, *Who Gets the Wealth We Produce,* Educational Research Project No 15 University of Chicago

10 **Biography** F Lundberg, *America's Sixty Families,* G Meyers, *History of the Great American Fortunes.*

CHAPTER 7

THROUGH ORGANIZATION AMERICAN LABOR HAS SOUGHT TO GAIN A SECURE POSITION

★★★

The great mass of American workers are laborers in our many shops and factories For this group, as indeed for all workers, political and social democracy is basically a part of that economic democracy of equal opportunity in the business world Steady work and an adequate income are the foundation of democracy in an industrial society

★★★

Unemployment and the Wage-Earning Group

Types of Unemployment. Unemployment was not caused entirely by the depression Starting in 1925 and continuing through the predepression peak in 1927 and 1928 there was a rapid and alarming growth of unemployment There are three types of unemployment seasonal, cyclical, and technological

1 *Seasonal unemployment* does not follow the same pattern in all industries It may happen at different times of the year in various types of industry The cause of this variety of unemployment is generally fashion, as in the clothing or the automobile industry The other large group of industries in which it is found is those manufacturing for holiday trade This problem can be handled successfully by spreading production over the entire year The Dennison Company, which manufactures for holiday needs, has done this The automobile industry has been discussing the question for some time, but sales campaigns dependent on new yearly models make it difficult to spread production over the entire year

2 *Cyclical unemployment,* which seems to follow eleven year cycles, has plagued American economic life since the Industrial Revolution There is a common belief that uncontrollable forces cause depression and unemployment every eleven years The public works projects are an attempt to solve this problem They are supposed to fill the gap until private industry increases production to the point where it can re-employ those who have been laid off However, public works solved only part of the problem of unemployment in the 1930's

3 *Technological unemployment* is caused by changes in ways of

production, the use of labor-saving devices, and the decline in need for special skills During the entire twentieth century the problem of technological unemployment has been growing It reached a peak in 1928 when 4,000,000 people were unemployed because of it Plant expansion and the increasing use of labor-saving machinery caused technological unemployment to increase still more in 1929 Ninety per

Farm Security Administration, photo by Rothstein

The machine has a great effect on the way people earn their living. This blacksmith who once shod horses for a living has turned his shop into a garage.

cent of the workers in 1940 could produce the total production of 1929 All evidence points toward more and more technological unemployment unless there is radical price cutting or some other method devised to solve the problem

The Results of Technological Change. Labor-saving machines cause the replacement of skilled and semi-skilled workers by unskilled workers Because of this the number of skilled workers employed in our manufacturing industries has decreased At present there are 10 per cent unskilled workers, 59 per cent semi-skilled workers, and 31 per cent skilled workers in industry Not more than a quarter of a century ago the vast majority of workers were skilled

As a result of this change, the workers must change old skills for

new, or more frequently shift from a skilled to a semi-skilled or unskilled job After periods of unemployment, most of the workers have had to find jobs in new and sometimes unfamiliar industries. In one industry, owing to technological change, one-third of the workers returned to the old industry while two-thirds found work in new industries after a long period of unemployment In the clothing industry, only one-fifth of the cutters returned to the industry after the mechanization of the cutting process. Four-fifths had to find new fields in which to work, or remain unemployed This is one of the greatest social problems of technological change and the introduction of labor-saving machinery

Another result of technological change is the reduction in the age of hiring The middle-aged worker finds it more difficult to regain employment once he is out of work The older man generally has skills or techniques that have been made obsolete by the change Speed and nimbleness are more essential today than specialized skills Some industries place definite limits on the age of those they hire Limits are sometimes as low as thirty-five, some are forty, but the most common limit is forty-five In those factories where skill is unnecessary, the hiring age limit is apt to be very rigidly enforced This practice increases old-age dependency and thus adds to the task of those workers who must care for older dependents

Technological change leads to the concentration of business Combination of enterprises is necessary to furnish the capital for such change As a result, factories employing more than 1,000 men have increased from 15 per cent of the total in 1909 to 24 per cent in 1929

None of these three types of unemployment has been brought under control as yet and because of this, there has arisen the belief that the United States has reached the point of employment saturation This is not true What really has happened is that industry is passing through a structural and functional change[1] It is increasing the amount of semi-skilled and unskilled labor and decreasing the amount of skilled labor The result of this is the development of a laboring class in the United States This class is composed of those who have no part in the ownership of industry but have only their service to offer, for which they receive money wages

The Laboring Class In order to understand the development of the laboring class it is necessary to trace its growth In the past, the workers and the owner worked together at the same bench in a small factory

[1] Structural change refers to the increase of semi-skilled and unskilled labor and the decrease in skilled labor Functional change refers to the increase in control of production for purposes of fixing prices, thereby assuring profits

They knew each other They frequently had a common interest, the success of the enterprise depending on both The owner felt a responsibility for the worker They lived near each other in a small community

As the factory became larger it became impersonal Industry functioned more smoothly when the human element was not considered The employer who did not feel obligated to the employee could center his interest on making profits The ebb and flow of business created periods of unemployment which threw great numbers out of work into miserable conditions This was not felt to be any fault of the employer It was no one's responsibility Wages were usually so low that it was impossible for the worker to save enough to tide himself over periods of unemployment when he received no wages

The law of supply and demand governs wages, despite the declaration of the Clayton Act that labor is not a commodity A large labor supply means that men have to compete against each other for a job They want to receive the highest wage possible, but this competition automatically lowers wages The employer's interest lies in employing men at the lowest possible wage The greatest cost of production is wages Profits may be kept at a maximum by holding wages at a minimum Employer and employees are both interested in getting as much money as possible Unless a fair balance is reached each must cut into the earnings of the other

The worker still believes that anyone can go to the top if he works This is true, but there are not nearly enough places at the top for all of those who want to get there It is only the exceptional man that rises above the wage-earning class The working class has become a distinct part of our economic system Along with the employer it makes up the human equation of our industrial world Both are essential If the employer's desire for profit causes him to cut wages below a living standard, the worker has only two alternatives with which he may protect his self-interest He can become part of a co-operative scheme with the employer, which will lead to social control, or he can develop a labor policy based on labor interests The first is a rare exception at present Therefore, labor is developing its own exclusive policy, based on its own interests

The American Labor Movement

The History of the Labor Movement. Since the Industrial Revolution had not yet begun, the early colonist did not not need a labor movement Skilled labor was scarce in colonial times There was so much demand for skilled artisans that it was necessary to make laws

to keep employers from outbidding each other for their services In some of the colonies craftsmen were actually forbidden by law to become farmers

1 *Early Manufacturing* The growth of machine industry in the colonies was slow because England prohibited the emigration of skilled labor and the exporting of machines or plans However, by the time of the Revolution, the colonists had begun to manufacture products The first factories manufactured textiles In 1789, Samuel Slater, a skilled weaver, reproduced textile machinery from memory and opened a mill at Pawtucket, Rhode Island He used the English employment system The entire family had to work in the mill Parents were not allowed to send their children to school for fear of losing their own jobs

New England became established as the textile center of the new nation, when Francis G Lowell opened his mill He had an entirely different employment system from that of Slater His mill became known as the boarding house type in contrast to the family type Young girls from all over New England were brought to his mill to tend the machines The parents of these girls had to be convinced that the mill was an opportunity for their daughters The educational idea was stressed, showing the advantages of the mill work over domestic service The girls lived in boarding houses which were strictly chaperoned The factory owners enforced the rule that the girls had to go to church regularly Their wages were $1 25 per week

If the Lowell type of mill had survived, the labor story of the textile industry would have been entirely different from what it is But these mills had to compete with the other type The family type of mill had cheaper labor costs By 1832, over half of the mills of the country were of the family type and these were rapidly pushing the boarding house type out of existence The mill town population was soon entirely dependent upon mill wages Thus the wage earner became a permanent factor in American civilization

By 1850 the United States was ready for the modern factory system The two parts were already present a working class and wealth concentrated in comparatively few hands As the factory system developed, the social responsibility of the employer diminished The wage earners came to the realization that organization for their own welfare was necessary

2 *Early Labor Organization* The first labor organization was started in Philadelphia in 1792 The shoemakers organized, and their first collective bargaining took place in 1799 This early type of

organization was temporary, functioning only when a problem arose When it was solved, the union disbanded until another problem arose They were also strictly local in scope The workers of a particular trade in a single city handled their own affairs

The first labor organizations were composed of skilled workers The craft workers in the small shops realized that a few workers could not bargain successfully with the employer However, if all the skilled workers in the city joined together, they would increase their bargaining power Thus, the first labor movement of the country was one of craft workers developed on a local basis

The first strike violence occurred during the years 1806-1814. The shoemakers of Philadelphia beat up scab[1] labor in an effort to force employers to meet their demands The issues of these early days were increased wages, shorter hours, and the control of apprenticeship

The first court action against labor unions took place in the early years of the nineteenth century The question involved was whether or not unions were a "conspiracy against the public " The Federalists took sides with the employers, claiming that such a labor movement interfered with the program of American industry The followers of Jefferson supported labor, claiming that the laboring man had the right to fair living wages and that he also had the right to organize to get them The public agreed that the workers were standing on their constitutional rights However, they were definitely against labor when labor was found to have raised prices or when labor attempted to force the employer to give in to its demands

3 *The Beginnings of Federation* Federation as a union policy appeared about 1827 in Philadelphia, when the Mechanics Union and Trade Association was formed The federation first demanded a 10-hour working day Failure to gain this point led labor to try another type of organization, the labor party and political action

Local labor parties developed in Philadelphia around 1828 News of them spread to New England, with the result that they began to grow in that section of the country The program of the labor parties generally included (1) greater leisure, (2) better educational opportunities for workers' children, (3) abolition of compulsory military service, (4) a more equitable system of taxation, (5) destruction of monopolies, (6) laws making the imprisonment for debt impossible, and (7) laws giving first claim to the workers in the case of bankruptcy All of these demands were considered radical, but with the passage of time most of them have become a part of our democratic system.

[1] Scabs—those who work in a plant during a strike

The panic of 1837 increased unemployment. Worker underbid worker in order to gain employment. Unions and labor parties alike lost power and importance for about a dozen years.

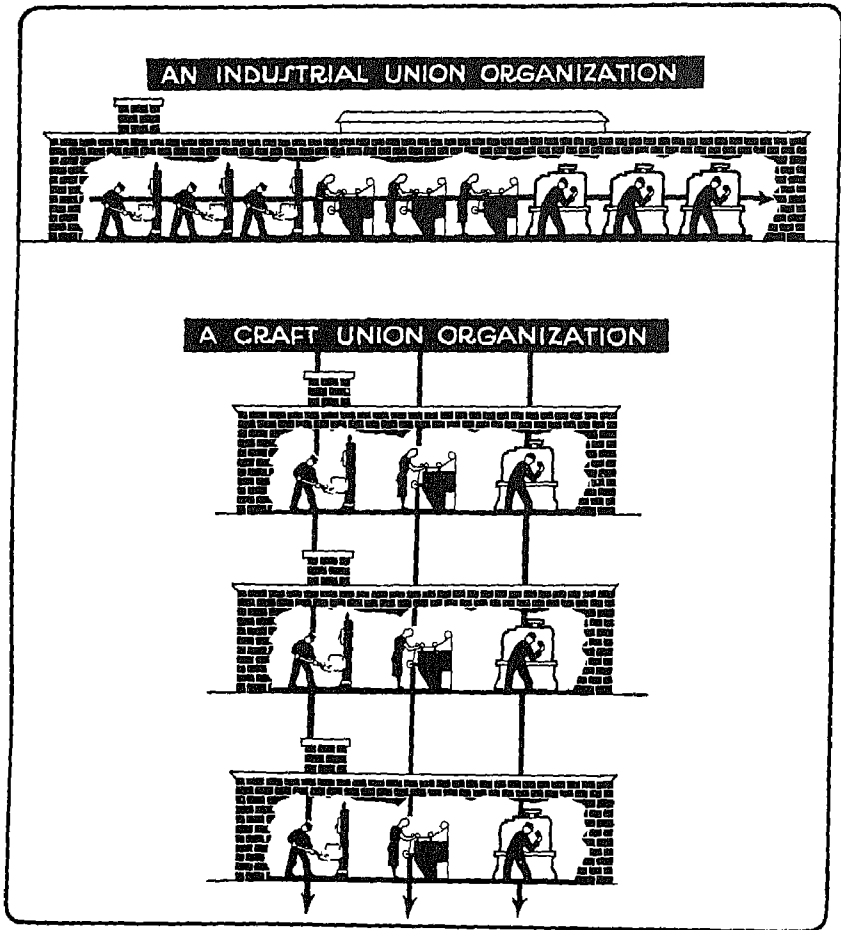
4. *The Forerunners of Modern Federation.* The decade between 1850 and 1860 saw the rise of nation-wide unions. The railroads had brought the nation closer together through faster means of communication. In 1850 the national printers' union was organized. In 1853 the stonecutters organized on a national scale and in 1859 the iron molders, machinists, and blacksmiths followed suit. These national unions were interested in maintaining high wages for their crafts and the control and protection of skilled labor. But it was not until after the Civil War that national federations arose. It was between 1865 and 1870 that labor realized that it could greatly increase its power if it joined together in a national federation.

In 1866 the National Labor Union of Baltimore was organized. It sponsored an eight-hour day and paper money. However it had disappeared by 1872 because the members could not agree about how much and what kind of political action they should take. In 1869 the Knights of Labor was organized with the slogan that "an injury to one was an injury to all." The Knights began as a secret society which included worker, farmer, and small business man. It was interested in land reform and legislation that would aid the members of the organization. In 1878 it ceased to be a secret organization and from that time until 1886 grew in size and power. It became more aggressive, taking the lead in many strikes. This led the employers to resign from the Knights of Labor and their places were taken by unskilled labor. In 1885 the Knights forced Jay Gould, a railroad magnate, to sign an agreement with one of their unions.

The Knights of Labor grew in strength until 1886 when it had between 600,000 and 700,000 members. From then on it decreased in power and strength. Some of the reasons for this were bad leadership, the fight between skilled and unskilled labor, and failure to recognize the real conditions of industry, as shown in the attempt to organize the workers and the employers in the same union. This was the last attempt to solve labor problems on an idealistic basis.

Labor Organization Today. The Federation of Organized Trades and Labor Unions of the United States and Canada was formed in 1881 by various craft unions. In 1886 it became the American Federation of Labor. This was a loosely organized federation which recognized the self rule of the national craft unions much as the Articles

of Confederation had recognized the powers of self rule of the states. It was opposed to the socialistic views and the political policies of the Knights of Labor Nevertheless, the K of L and the A F of L joined hands, and immediately the Knights of Labor attempted to gain con-

trol of the organization However, the A F of L won the fight because of its practical business-like procedure Under the leadership of Samuel Gompers it kept the organization decentralized and out of politics

The A F of L was a loose organization of individual craft unions such as the bricklayers' union, the carpenters' union, and the printers' union It was the only logical basis for unions in 1886 The great mass of semi-skilled and unskilled laborers had not yet become so impor-

tant a part of the industrial system However, with the increased use of machines this type of labor became more and more numerous This made it necessary to change labor organization to meet the change in industry When industry becomes national in scope there is need for labor organization to be national in scope There is also need for industry-wide bargaining rather than shop or craft bargaining To do this is the work of industrial unions

The A F of L has opposed the growth of industrial unionism in general and the C I O (Congress of Industrial Organizations) in particular It has done so to protect the interests of skilled labor, which has become a smaller and smaller part of the workers of the nation This vertical structure[1] of craft unions does not take into consideration the change in industry, whereas, the horizontal organization of industrial unionism does The result has been conflict and a split in the ranks of labor

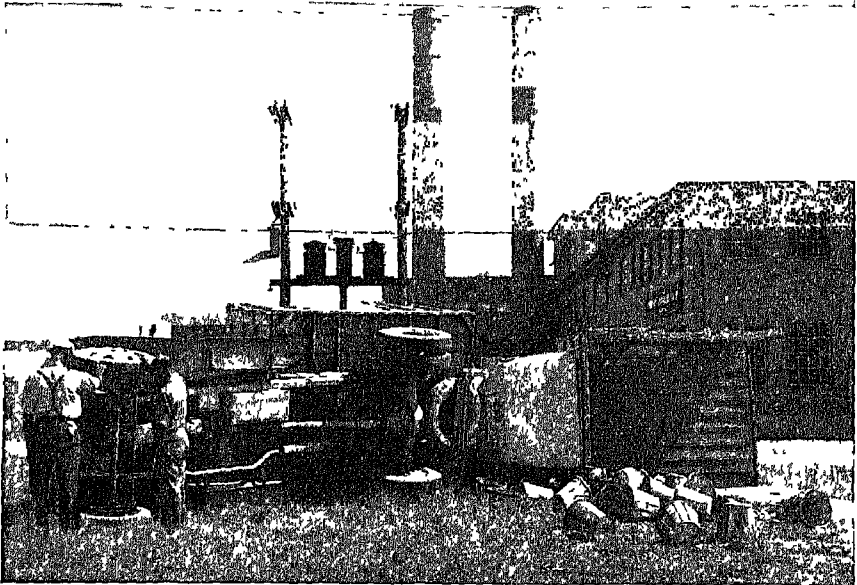
The C I O is the outgrowth of the changes in industry Until it came into being, the great mass of semi-skilled and unskilled labor had no agency through which it could bargain The vertical organization has given added power and representation to the worker The C I O unions are national in scope This makes it possible for them to bargain with nationally organized industries The aims of the C I O are the same as of all other unions better working conditions, shorter hours, and higher wages

The C I O has been criticized for the way it conducts its strikes Its activities in the rubber, steel, and auto industries have been widely publicized It is not a step toward communism as some believe It is as natural a development in labor as the trend toward monopoly in industry is Both have evolved from the past in the most natural manner Monopoly is the natural outcome of large-scale production and is nation-wide in scope Industrial unionism is a complementary growth of labor to deal with industrial development of this size Although the C I O may be criticized for some of its methods, industrial unionism is no more out of the ordinary than monopolistic industry Both are natural outgrowths of the past

LABOR STRUGGLES AND LABOR LEGISLATION

Labor Techniques Collective bargaining has always been the fundamental purpose of all labor organization The group has more

[1] This is known as vertical structure because it cuts through all industries of the nation to include only those workers in a particular craft This is opposed to the horizontal structure of the C I O which includes all the workers of an industry, no matter what their work may be

power than the individual in driving a bargain with the employer. Through bargaining, an agreement is reached which is acceptable to both labor and employer Such agreements have advantages for both sides The employer knows that production will run smoothly He can expect co-operation from his employees for the contract binds them to a common purpose The employee knows what he can expect in his pay envelope, the hours which he is to work each day, and the

Farm Security Administration, photo by Rothstein

The strike is labor's strongest weapon in the struggle to get the things it wants. Frequently strikes end in violence Here striking truck drivers have upset trucks bringing goods to a plant on strike.

conditions under which he is to work When such agreements are reached the way is paved for an era of industrial peace and efficient production

The strike is used as a weapon of last resort when an agreement cannot be reached This is the quickest way to show the strength of the organization To the employee it means loss of wages In some cases there are violent outbreaks between the workers and the agents of the employer To the employer, a strike means the stopping of production and profits The community suffers through loss of business

In most strikes, the worker leaves the plant but, in the sit-down strike, the worker remains in the plant, making it impossible for

others to come in and take his job The sit-down strike was declared illegal by the Supreme Court in February, 1939 At this time it was held that although the employees had the right to strike, they did not have the right to commit acts of violence or to seize the employer's property

Picketing has been in use ever since there have been labor organizations Employees march in front of a factory or place of business to inform the public that a strike is on Picketing is also used to prevent customers from buying during a strike Another purpose is to prevent the employment of strike-breakers to take the place of union workers The worker on the picket line believes that he still has a right to his job The employer has always claimed that the striker has given up this right Until recently the courts have upheld the claim of the employer However, since the National Labor Relations Board has become effective, it has held that the worker has a right to his job when on strike if the strike has been caused by anti-union activities of the employer In such cases the employer has been forced to rehire union employees who have been active in strikes

The boycott attempts to stop the sale of goods of an employer in conflict with labor It is only effective when the goods are generally purchased by workers

Another method used to enforce the demands of labor is the control of apprenticeships It aids the union to limit the number engaged in a craft, thereby making sure that the supply of labor does not exceed the demand This practice keeps the wage level up The employer finds the control of apprenticeship a menace to his profits He continually strives to cut down the number of skilled workers needed to produce his product The work of the skilled craftsman is split-up into many smaller tasks which can be done by semi-skilled workers This cuts the cost of production by decreasing wages

The most frowned upon practice of labor is sabotage The name comes from the French word "sabot" meaning shoe French workers some years ago used to throw their shoes into the machinery thereby wrecking it when they were not satisfied with their working conditions As we use the term now it includes the destruction of machinery, or the slowing up of work to decrease production

Labor disputes may be settled by mediation and conciliation These terms imply compromise on both sides The federal government and practically all state governments have bureaus to aid in such deliberation But labor has always fought the idea that such a prac-

Photo by Harry Rubenstein

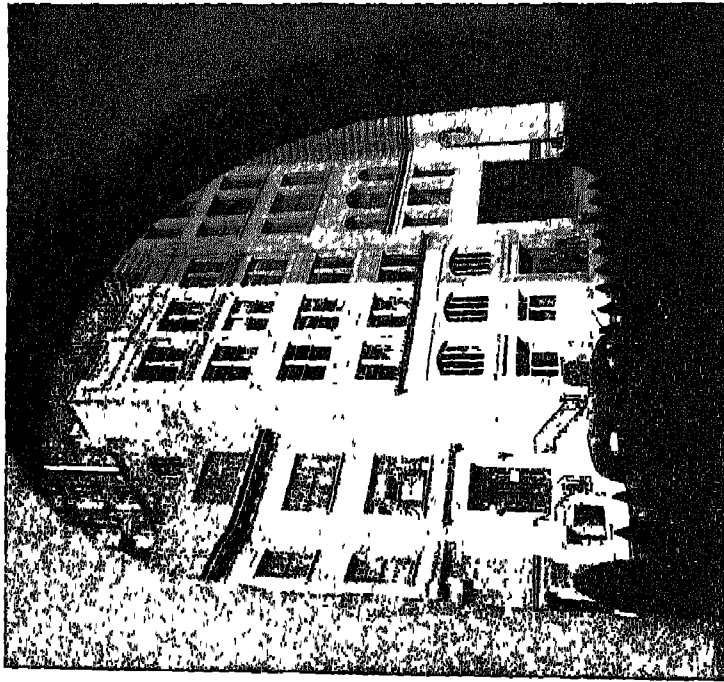



Photo by Harry Rubenstein

Labor union activities include *much more* than leading strikes. On the left are the general offices of the International Ladies Garment Workers' Union, an organization which carries on extensive educational and vocational activities. On the right is a girl filing union labels. These labels are sewn on clothing to assure the purchaser that it was produced under union labor standards

tice become compulsory by law This would mean that labor would lose the use of its most effective weapon, the strike

Voluntary arbitration is similar to mediation and conciliation except that it always means compromise In mediation there is a chance that one side will have its demands accepted In arbitration, which comes only when neither side will give in, the result is always compromise. A third party is brought in to settle the dispute Kansas, in 1919, attempted to make the practice of arbitration compulsory The unions fought this move and finally the Supreme Court declared it unconstitutional However, arbitration is incorporated in the Transportation Act of 1920 and the Railway Labor Act of 1926. In both cases compulsory investigation of the dispute was necessary before the workers could strike Labor retains the right to strike if the settlement of the case is not satisfactory The laws have been accepted by labor because they do not deny the right to strike

These are the methods used by labor to obtain their demands, demands that have changed little since 1799 In general they are increase or maintenance of wages, shorter hours of labor, protection of the job of the skilled worker from the less skilled worker, maintenance of craft monopoly, an increasing share in plant management, and legislation to protect workers against dangerous working conditions

Employer Methods The most common method used to combat labor organization is hiring only non-union workers In this way, the employer does not have to deal with unions He can discharge any workers who join unions This can be done only when the employer is not dependent upon unionized workers to produce goods

In many cases the employer has asked for the aid of the government when there were labor troubles He has on occasion protected his property with the help of the army, the militia, or the police He also has been able to convince local, state, and federal officials, that it was to the public advantage to protect his interests Until the passage of the NLRA, his lawyers have been able to gain advantages for him in the courts.

The greatest aid in combating the union has been the manufacturers' associations The members of these associations have, at times, refused to deal with unions or to hire union labor They have built recruiting centers for non-union labor through the nation The members grant financial aid to other members who are fighting unions They have popularized the open shop (the American plan),[1] believing

[1] The open shop is one in which both union and non union men work The regulations in such a shop are not those of the union, but are set up by the employer alone In the closed shop the employer must agree with the union on regulations concerning wages, hours, and conditions of labor

that it was their duty to protect the worker from union pressure and to protect his right to work where and when he pleased.

The most common practice of the manufacturers was to discharge union labor. Another was the yellow dog contract—an agreement with the worker that the employer had the right to fire him when he became a member of a union. These contracts were outlawed in 1933. Extensive blacklists were prepared that named workers active in unions. These lists were compiled by labor spies. Men applying for work were checked against them. The labor spy is a worker who relays information to the employers. He is one of the regular employees or he is hired from a private detective agency. He often becomes a member of a labor union in order to learn what the plans of the union are, or to get the union to do the company's bidding. Occasionally they agitate for strikes at times when such a strike would bring disaster to the union. According to the findings of the Senate Sub-Committee on Education and Labor in 1936, the companies who furnished most of the labor spies to industry were paid about $80,000,000 annually for this service.

Moving of factories is another method of combating unions. A factory in the highly industrialized area moves into a less industrialized area where labor is not organized. Local governments in less industrialized areas offer inducements to continue this practice, such as no taxes over a long period of time, the building and equipping of factories by the town.

The lockout tends to defeat the purpose of the union. The employer, rather than the workers, closes his plant. He does this when he decides he can stand the long period of idleness better than the worker can.

The use of professional strike-breakers is a common practice. These men are furnished by agencies and their job is to break strikes by running the factory. They are generally armed. When they are employed there is usually a violent outbreak between strikers and strike-breakers. They have been used in nearly every large strike that the nation has had. The federal government prohibited the transportation of such men over state lines in 1935. However, this practice still continues as they are now imported into strike areas as "millwrights."

Company unions have been used to defeat outside unions. These are sponsored, organized, supported, and managed by the company. Their major purpose is to prevent the formation of independent unions. However, in 1936, when the Railway Labor Act was passed, there was a provision making the company union illegal in the rail-

road industry. The following year the National Labor Relations Act also made the company union illegal in industries that were engaged in interstate commerce.

These are the means that industry uses to defeat the purposes of organized labor. Behind them is the employers' desire to protect their investment and make a profit. It is not fair to condemn industry for these practices which have arisen because of the necessity to make a profit. At the present there seems to be a growing realization that there are more than profits or high wages to be considered in an economic system. But before this realization can be acted upon both capital and labor will have to fulfill their obligations. It is a matter in which both sides must play their part and play it fairly.

Labor Legislation. Labor legislation has been incorporated in most of the state codes of the nation. As the need arose, laws were made concerning workingmen's compensation, factory inspection, child labor, and wage payment. Since the depression, there has been an increase in labor legislation on a national scale. In 1932 the Norris-La Guardia Anti-Injunction Act was passed. It declared that yellow dog contracts were no longer enforcible in federal courts. It also limited the power of federal courts to issue injunctions in labor disputes.

1. *The National Labor Relations Act.* In 1935 the National Labor Relations Act, commonly known as the Wagner Act, was passed. Like all federal laws concerning labor, it is limited to interstate commerce. It gives labor the right to organize and to bargain collectively. The employer is not allowed to prevent or try to influence these activities. He no longer has the right to dominate or interfere with labor organization. No company union can be imposed upon the workers. The employer cannot discriminate against an employee because of union activities or membership. The union whose members are a majority of workers has the right to bargain for all the workers. The employer, as a result, will have only to deal with one organization. It is assumed by this law that every effort will be made to reach agreement on hours, wages, and conditions of labor, through the collective bargaining process. If it cannot be reached, the workers still have the right to strike.

The act is administered by the National Labor Relations Board (NLRB). This board has the right to hold hearings and to call witnesses. It also can hold elections in factories to determine which union shall have the right to bargain. It may order employers to stop unfair practices. It may reinstate workers who have been discharged because

of union affiliations. This Board must rely on the federal courts to enforce its decisions The courts have been unquestionably fair and as a result labor is enjoying the strongest legal position it has ever had The Act was declared constitutional in April, 1937

2 *The Fair Labor Standards Act* The Fair Labor Standards Act became a law in 1938 It has three major purposes: to set 40 hours as a maximum week's work, to have the minimum wage of 40 cents an hour, and to abolish child labor in those industries which are engaged in interstate commerce As these goals cannot be reached at once, the government set up an arrangement by which they will gradually be achieved Hours of work were to reach the standard in the fall of 1940 There is no prohibition of working more than the scheduled time providing that overtime rates, time and one half, are paid for all hours over the schedule.

The goal in wages will take longer to put into effect The minimum wage after 1945 will be 40 cents per hour unless it is definitely shown that it would substantially curtail employment in a given industry This will be determined by the findings of an industry committee made up equally from the employer group, the employee group, and the public

These hours and wages will affect workers whose products are sold in interstate commerce, with the exception of agricultural workers Workers employed in any type of transportation, fishing, retail selling, public service, or professions are exempt from this law

The sections concerning child labor are planned to eliminate all full-time child labor under sixteen years of age Part-time work may be had by fourteen- and fifteen-year-old youths providing it does not interfere with their schooling Work that is considered hazardous for sixteen-year-old youths is prohibited to those under eighteen years of age. The exceptions to these regulations apply to youth in motion pictures, theatricals, those employed by parents in non-manufacturing and non-mining industries, and those employed in agriculture when it does not affect their schooling

Conclusion Industry and labor both act to protect their own interests This brings them into conflict with each other Each has developed techniques with which to fight the other With the increase of labor legislation, such as the Norris-La Guardia Anti-Injunction Act, the NLRA, and the Fair Labor Standards Act, the rules of the game, with greater advantages for labor than it has ever had before, are laid down Industry has been made subject to social control and labor has a chance to show its sense of responsibility to the whole community

Unit Summary

Compromise is in the very nature of democracy Nowhere is this more evident than in the American economic system which balances the freedom found in capitalism with the justice found in socialism This system has not been built on a theory, but through years of trial and error The origins of modern democracy and modern capitalism were almost simultaneous and capitalism has made possible the vast production of goods on which democracy depends In the distribution of these goods, the record is poor Through the growth of industry there has come a concentration of wealth that has threatened a concentration of power This is the reason for the social controls we have described and for the formation of unions The goal here is economic democracy in which there will be equal economic opportunity and in which "bread and shelter will be as freely accessible to everybody as water."

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest cyclical and technological unemployment, dehumanized, labor solidarity, company store, collective bargaining, vertical unionism, horizontal unionism, strike-breakers, boycott, blacklist, arbitration

INFORMATION, PLEASE!

2. **a.** What methods can be used to eliminate seasonal unemployment? **b.** Why should technological change force workers to retrain themselves? **c.** Why can it be said that a working class has become a reality in the United States? **d.** How does the law of supply and demand affect the wage of workers? **e.** Why should labor feel that the solution of its problems lies in solidarity and organization? **f** What realities did labor have to accept before any sort of federation could be achieved? **g.** Why was it the most natural thing for the A F of L to develop along craft lines? **h.** Why has labor always fought to maintain the right to strike? **i.** Does the split in the ranks of labor injure the whole labor movement?

CAN YOU THINK?

3. **a.** Much has been written about technological change. Does this change, which involves increased production, bring about increased unemployment over a long period of time? **b** There is evidence that a distinct

wage-earning class is developing in the United States What is the evidence? Is there enough to support such a statement? c Industrial Unionism is not a radical movement, but the natural outgrowth of our present system of industry How would you compile the facts to support this contention? d Between 1930-1940 the trend of labor legislation in the United States was favorable to the unions Is this trend continuing?

WE LEARN BY DOING

4 **Report.** Give a report in class on one of the following of the American Primer Series a *Jobs or The Dole,* **b.** *Man and Machines,* **c.** *Strikes*
5 **Drama** Dramatize a hearing before the NLRB concerning a charge made by a worker that he was discriminated against by the employer because of union affiliation
6 **Chart** Make a chart showing the difference between vertical and horizontal union organization
7 **Historical Sketch** Write a sketch on "The Attempts to Organize Unions in the Steel Industry Previous to 1930"

WE READ FROM OTHER BOOKS

8. **General Readings** W Atkins and A Wubnig, *Our Economic World,* chaps xxiv-xxv, T Carver and G Adams, *Our Economic Life,* chaps viii-ix, J Corbett and M Herschkowitz, *Modern Economics,* Unit XII, J Dodd, *Introductory Economics,* chaps xxv-xxvi, R Gavian, A Gray, and E Groves, *Our Changing Social Order,* chap xxi, H Hill and R Tugwell, *Our Economic Society and Its Problems,* chap xi, J Klein and W Colvin, *Economic Problems of Today,* Unit V, H Patterson, A Little, and H Burch, *Problems in American Democracy,* chap xiii, E Walker, W Beach, and O Jamison, *American Democracy and Social Change,* Unit V, Topic III
9 **Pamphlets.** American Primer Series *Jobs or The Dole, Strikes, Man and Machines*
10 **History of Labor Organization** L Adamic *Dynamite,* R. Brooks, *When Labor Organizes,* M Clark and S Simon, *The Labor Movement in America,* N Ware, *Labor in Modern Industrial Society,* S Yellen, *American Labor Struggles*
11 **Labor in Specific Industries** H Davis, *Labor and Steel,* L Plummer, *Getting Along With Labor* (The Nunn-Bush Shoe Co)
12 **Labor in Agriculture** C McWilliams, *Factories in the Field*
13 **Labor Spies.** L Huberman, *The Labor Spy Racket*
14 **N. L R B** J Johnson, *The National Labor Relations Act, Should It Be Amended?*
15 **The C. I. O** M Vorse, *Labor's New Millions*
16 **Labor and Democracy** W Green, *Labor and Democracy*

17 **Employment Problems.** *America and The Refugees—Will They Take Our Jobs*, Public Affairs Pamphlet, No 29, *Jobs After Forty*, Public Affairs Pamphlet, No 35, *Why Women Work*, Public Affairs Pamphlet, No 17, *America's Factories*, Public Affairs Pamphlet, No 55, *Labor in the Defense Crisis*, Public Affairs Pamphlet, No 58

18 **Novels Built Around Labor Problems** A Cronin, *Stars Look Down*, L Gilfillan, *I Went To Pitt College*, J Hergesheimer, *Foolscap Rose*, U. Sinclair, *Little Steel*, W Smitter, *F O B Detroit*, J Steinbeck, *Grapes of Wrath*, M Vorse, *Strike*

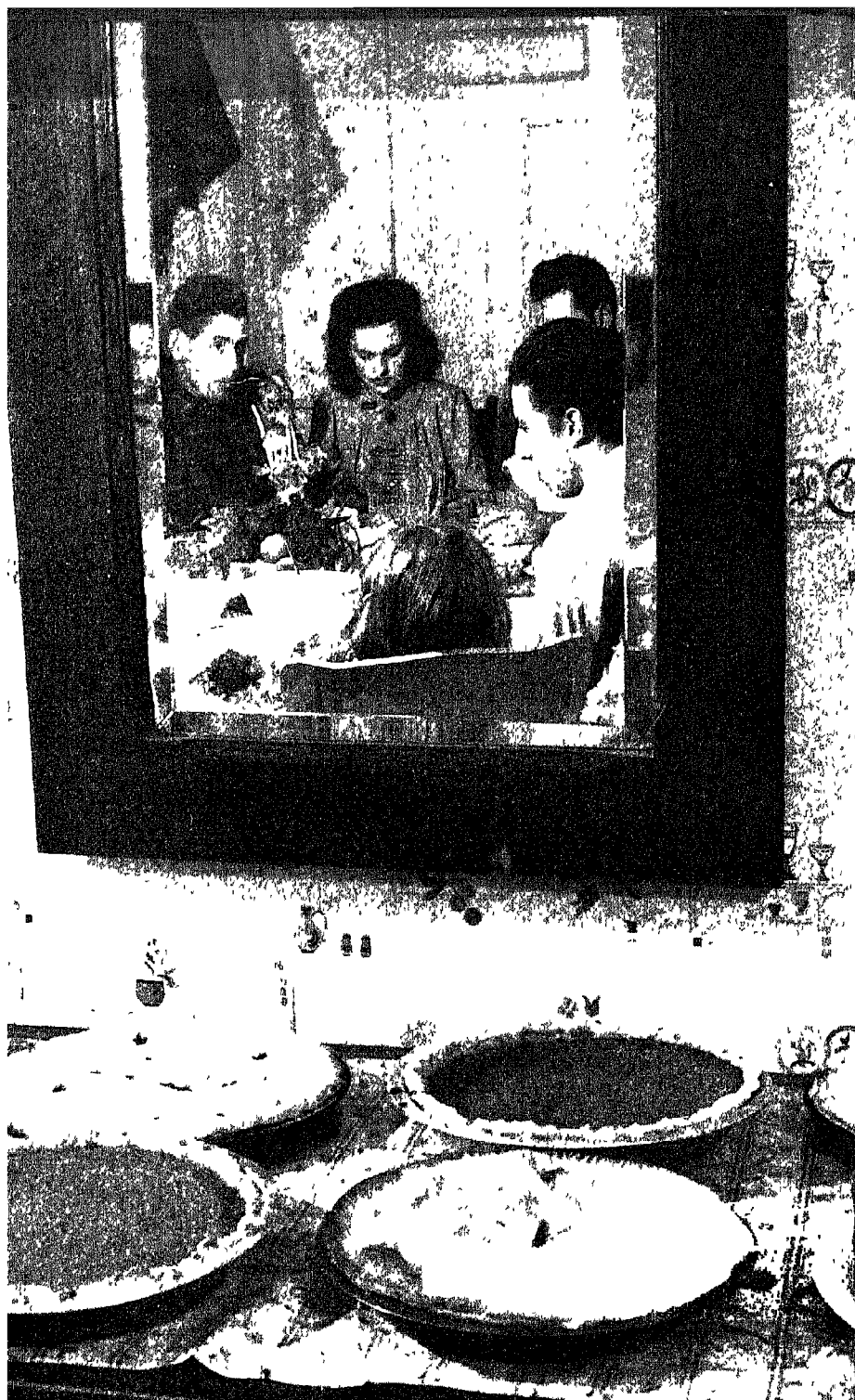
UNIT III

IN A DEMOCRACY, THE HOME IS THE CENTER OF INDIVIDUAL LIFE

****

8. MARRIAGE AND THE FAMILY FORM THE BASIS OF DEMOCRATIC LIVING

9 YOUTH WILL DESIRE TO CREATE A DEMOCRATIC HOME

10. RECREATION AND LEISURE LEAD TO A HAPPIER LIFE

CHAPTER 8

MARRIAGE AND THE FAMILY FORM THE BASIS OF DEMOCRATIC LIVING

★★

The family is the most important institution in society. Every people, starting with the most primitive, place the greatest emphasis on family life. Like other institutions, the family changes as conditions change In America this is particularly noticeable because change is apt to be more rapid here than abroad Nevertheless, in spite of change, the family is still the keystone of democratic security and living

★★

THE FUNCTIONS OF THE FAMILY

The Family. In the abstract words of the social scientist, the family is an intimate domestic group that includes parents and children

Farm Security Administration, photo by Vachon

The family is the most important unit in democratic society.

Actually, the family is a great deal more than can be put into a few words, especially academic words It is the means by which people

The Foundation of Democracy is the home.

Farm Security Administration, photo by Delano

create those things of the greatest human importance a sense of security, an awareness of the importance of the individual; a feeling of purpose, a faith in humanity, understanding and love of fellow human beings In the highest sense, and in the practical sense, too, the family is a state of mind, a state of mind which makes democratic living possible and of the greatest importance.

Over the past 50 years the make-up of the family has changed A half century ago the most usual type of family was what is called the great family This type of family still survives in certain rural areas In these families there would be several generations all working for the common interest Such families would carry on the family traditions and customs Today most families are what is called the small family This consists of about four persons of two generations, parents and children The cause of this change is the change in economic conditions and the increased spirit of individualism Young people today prefer to make their own homes rather than live with the older generations of their families

Types of Marriage. The family is founded on marriage which is a legal contract There are three types of marriage, polygyny, polyandry, and monogamy The first two types are less common than the third

Polygyny is marriage in which one man has a number of wives This type of marriage developed in Mohammedan countries, and other parts of the earth, where there is a greater number of women than men In all cases it is practiced where women are either considered as chattels or as slaves

Polyandry is the marriage of one woman with a number of husbands This form of marriage is practiced in isolated areas of the world where the individual male finds it impossible to support a wife because of economic reasons or where women are few because of the practice of killing female infants In such a society, the line of descent is traced through the female parent

Monogamy is the most common form of marriage This means the mating of one man and one woman It is the most reasonable form of marriage because of the nearly equal distribution of the sexes throughout the world Another reason for the almost universal acceptance of monogamy is that it is successful It is necessary to develop a functioning home life if there is to be progress, and this can be done most successfully in a monogamous home where both parents are interested in the development of the offspring Parents are on an equal status and, with the evolving equality of the sexes, monogamy becomes more natural

The Biological Function. The primary function of marriage and the family is biological, the reproduction of the species In the past 50 years the number of children born to each married couple has decreased greatly This has been somewhat offset, however, by the fact that the rate of infant mortality has also decreased

Farm Security Administration, photo by Rothstein

One of the most important functions of the family is to provide economic security for the individuals who make it up.

The number of children born into homes of different economic groups varies greatly, however, with a noticeable decrease as one goes from the lowest paid to the highest paid This is a problem of real importance At any one time, it means that many parents who could give their children great advantages have few children, while parents who can barely make ends meet have many For the future of the race, the problem is even more significant, for we see that the better

educated groups are not even maintaining themselves. The effects on our population in three or four generations will be tremendous.

The Economic Function. Originally the family was an economic group that co-operated to make itself nearly self-sufficient. All kinds of crafts were carried on within the home and there was work for all. When it was found that one family could make an article better than another family, there arose a kind of cottage industry based on exchange and a small money income. Later when the factory system began, the home started to lose its economic functions. Today, in most cases, it has none left. Indeed, the home has become chiefly important in the economic field for being the center of the consumption, not the production, of goods. Of course, rural families still produce some of their own needs.

The Protective Function. Infants of the human species are less prepared to cope with their environment than the young of any other animal. They need the longest period of care and aid from their parents. Furthermore, statistics indicate that more children live and thrive in their own homes than in institutions that would seem, in some cases, to offer more advantages. At one time the home was the only protective institution. Today, the sick, the aged, and the injured may be cared for in the home or may be sent to an institution. Despite this possibility, there seems to be no good substitute for the care and love of a home.

The Religious Function. The home was once a center of religious worship and instruction. In some cases it still is, for the religious tendencies of young people depend largely upon their home environment. Even where formal religion is neglected, the ethics and character of the child depend upon the parents. If loyalty, obedience, love, service, and other virtues are actually practiced in the home, they are likely to appear in the children.

The Educational Function. The home is the great institution of informal education. The school can only aid the home, it can never supplant it. It is through this process of informal education that the child acquires his foundation of basic attitudes, health habits, sex education, and emotional control. Whether the child acquires a good foundation depends upon the understanding and co-operation of the members of the family.

The Recreational Function. In the days before the growth of commercialized recreation, the family was either the center of amusements or was a unit in taking part in community activities. Even making a

visit was a family affair. This side of family life has not disappeared but has diminished a great deal.

The Psychic Function. The family has always been, and continues to be, the center of love and companionship that every person needs. If the economic functions of the family have diminished and if the economic world is more impersonal than it was, there is all the more reason for the home to supply the mental health and personal rejuvenation that comes from being wanted and being needed. There seems to be no other place for this spiritual rebuilding than in the home.

Because certain of the activities of the home have been reduced, many have said that the importance of the family is declining. But, at the same time, those functions that remain in the home are more important than ever. "Most socially thoughtful persons agree that the family is not likely to surrender these essential functions: (1) the physical reproduction of the race, (2) an irreducible minimum of physical care and training of the young child, (3) provision of the fundamental sources of mental health and happiness for the great majority of all persons."[1]

MARRIAGE IN THE UNITED STATES

Marriage in Early America. Marriage in the colonies was a very practical arrangement. It was essential to the progress of these agricultural settlements. Soon after the first colonies were founded in Virginia, Edwin Sandys wrote this about them: "We must find them wives, in order that they will feel at home in Virginia." Accordingly, "ninety young, handsome, honestly educated maids, of honest life and carriage" were sent over to the colonies. Their passage was paid by the colonists in the best leaf tobacco that they had grown.

In the colonies the young men married between the ages of eighteen and twenty, the young women were from sixteen to eighteen years of age. These wives were courageous women. They went through all sorts of hardships, generally working alongside of their husbands. "My good aunt," says Deborah Morris, "thought it expedient to help her husband at the end of a saw, and to fetch all such water to make such kind of mortar as they then had to build their chimney." Man and wife were brought together by the co-operation that was necessary to make the home a success in the wilderness.

These women had to do their share of the work on the farm. House

[1] Joseph K. Folsom, *Youth, Family, and Education*. Washington: American Council on Education, 1941.

cleaning, care of the garden, canning and preserving, curing of meats, rendering lard, and making sausage were the tasks of the wife While she was occupied with these tasks, her husband had to clear land, plow, plant, and harvest his crops Women also made all the clothing, from the spinning of the yarn to the completion of the suit or dress

Along with all this work women bore a large number of children Benjamin Franklin, for example, was one of a family of 17 children Sir William Phipps was one of a family of 26 Each additional child was an asset The larger the number of hands, the easier the task The boys worked in the fields and the girls helped in the house In those days the father exercised extreme authority in the home He had complete control over the action of his children and, to a great degree, over his wife. He had the right to sell any of his wife's personal property If she worked out of the home he had the right to her wages. With his children, it was the father who determined the extent of education that they would have However, the father also had obligations to his family He had to support his wife in a manner suited to his circumstances He was liable for his wife's debts at the time of her marriage The wife had first claim on her husband's property at his death In some colonies the wife could not be lawfully beaten Family life was essentially patriarchal The people lived in an almost wholly rural society

American Marriage in the Nineteenth Century. "Big Business' had its birth in the waste and turmoil of the Civil War, and it grew to maturity during the latter part of the nineteenth century. The factory system and the mechanization of industry were part of it The men and women and children of the country were offered employment outside of the home for the first time This alone had much to do with the changing of the social order Until this time the family had been the basic unit of production The home produced the necessities of life and the sale of surplus commodities gave the family the added wealth with which they could purchase those items they did not produce.

One of the first changes made by the Industrial Revolution was to decrease rural population and to increase the numbers who lived in cities The factory housed the huge machinery that was brought into being by the use of power developed by water and steam The individual no longer worked in his home but rather he went to work in one of these centrally located factories Hence the rise of cities This

had a marked effect upon the home and its members. Brute strength was no longer needed, but rather dexterity. Women and children soon were in great demand by the employers. Unmarried women had a chance to make a living and from this time on they were no longer dependent upon marriage as a livelihood. This also gave them a chance to establish an independent career and aided them in winning political rights.

The effect on the family of this newly gained independence of women was seen in various ways. The childless marriage became more common. Or when there were children, they were put under the care of servants so they would not interfere with the mother's career. As the industrial worker could no longer provide for a family as well as the rural worker, children became a liability instead of an asset. The small family took the place of the large family.

This independence of women caused the decline of the authoritarian home of the rural civilization. The woman did not have to depend upon a man to the extent that she had in the past. The husband could less frequently dominate the rest of the family.

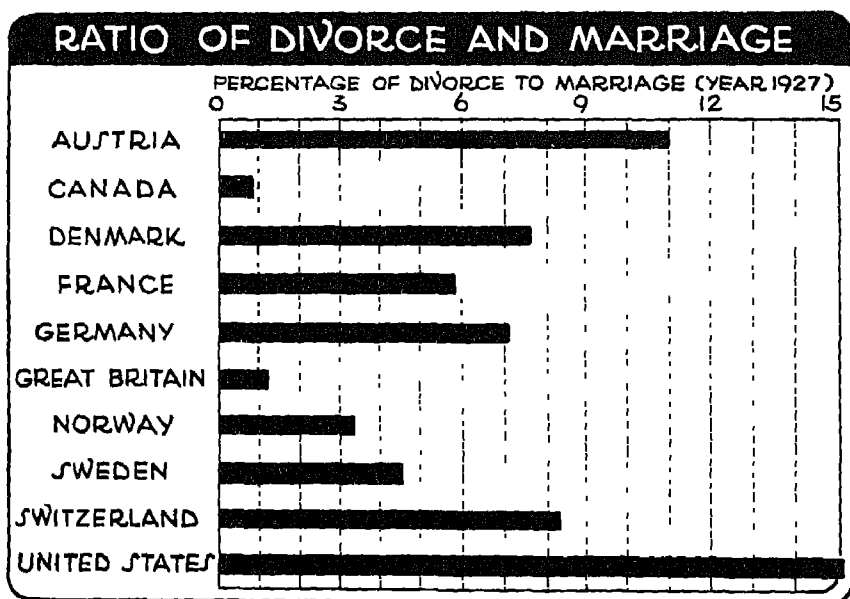
The Industrial Revolution had the tendency to destroy the economic function of the home. Each individual earned a living in his own way rather than by working with the family. This upset the close-knit arrangement of the home and placed the sexes in economic competition with one another. The result of these changes was a marked degree of social disintegration, confusion, and instability. These factors have become apparent in the American family since the beginning of the twentieth century. There is a need of social readjustment in family life with added emphasis on those functions that the family still retains.

The Problem of Divorce

The Amount of Divorce in the United States. Divorce has increased in the United States some 300 per cent in the 45-year period between 1887 and 1932. In the former year there were 5.5 divorces to every 100 marriages. In the latter year it rose to 16.3. One-sixth of the people who marry become divorced. Although this is not a large fraction, it is larger than it ever has been before in the United States. The nations of Europe show the same alarming increase in divorce. However, their increase in divorce has not reached the heights that it has in the United States. You can see this in the following table.

COMPARATIVE FIGURES ON TOTAL DIVORCES[1]

Country	*Year*	*Number*	*Year*	*Number*
Australia	1885	100	1926	1,637
Austria	"	1,718	1927	5,350
Belgium	"	290	1927	2,351
Canada	"	12	1927	748
Denmark	"	635	1928	2,304
France	"	6,245	1927	18,487
Germany	"	6,161	1927	36,449
Great Britain	"	508	1927	3,664
Norway	"	68	1927	589
Sweden	"	229	1926	1,780
Switzerland	"	920	1927	2,500
United States	"	23,473	1927	192,037

In order to clarify this problem we can compare the ratio of divorce and marriage in the United States with the other nations of the western world by means of the chart

The United States has the greatest proportion of divorce per 100 marriages of any nation in the same group

Very little is known about the actual number of desertions that occur in the United States every year As there are no available statis-

[1] United States Census

tics on this type of separation, which is known as the "poor man's divorce," it is impossible to determine the extent of it It is believed to be at least as prevalent as divorce in the large metropolitan areas Thus one must realize that the whole story is not told in divorce figures that have appeared in this section

Who Gets Divorced? Why? The legal grounds for divorce are not necessarily the real causes for the separation Many times the state law does not grant divorces on the causes which the couple actually have for separation Hence, there is the need to use one of the grounds permitted by the state laws In the United States there are 36 legal grounds for divorce The number in the various states ranges from one ground, adultery, in New York, to 14 grounds in the State of New Hampshire [1] In some states there is an omnibus clause in the divorce law which allows divorce for such a cause as incompatibility Thus, it is possible to get a divorce in some of our states by making it known that the two people cannot get along together

The most common grounds for divorce are the following adultery, desertion, cruelty, imprisonment for crime, habitual drunkenness, and neglect to provide These were the grounds given for about 85 per cent of the divorces granted in the United States in 1932 Over 70 per cent of the divorces were allowed on the grounds of cruelty and desertion

The longer a couple is married, the smaller the chance for divorce It has been found that 3 9 per cent of the divorces are given to couples that have been married less than one year, that 10 9 per cent of the divorces are granted to those who have been married one year, that 35 7 per cent of the divorces go to those who have been married up to five years Over 50 per cent of the divorces are granted to couples who have been married five years or less In at least half of the cases the people getting the divorce have not been married long enough to have given it a fair trial

In 1932, 55 5 per cent of the divorces were granted to couples who had no children Only 3 9 per cent of the divorces went to couples who had three children Children apparently lead to permanency in marriage The Census Bureau presents the following conclusions on the divorce situation in the United States There is more divorce among the wealthy and the laboring class than there is in the middle class Divorce is more common in cities than in the country There are less divorces among Roman Catholics than there are among the Protestant sects There are more divorces among native-born whites than there are among the foreign-born

[1] There are no grounds for divorce in South Carolina

Sociological Causes for Divorce The grounds given for divorce are usually merely excuses To understand the problem more thoroughly it is necessary to find the real causes for divorce These basic causes frequently have their roots in the present social order

1 *Finances* Social workers say that the cause of most divorces is finances Most people find their work in the great industrial system of the country Their salaries in times of prosperity are adequate in most cases, but this is by no means always so On one hand, the American worker receives higher wages than any other worker in the world On the other hand, this sum is not always sufficient to maintain the standard of living at which he sees others living The high standards of living for which people strive, but are unable to attain, have the tendency to bring about domestic unhappiness

2 *Emancipation of Women* Women no longer have to marry if they wish to be secure They have nearly the same chance of getting a job as men have If the marriage is not a happy one, a woman no longer has to remain married in order to live This has caused an increase in the divorce rate of the nation Women have discovered that there is work, other than making the home, that can be interesting The woman who has been a success in a career may continue her work after her marriage Some men will not marry women who look upon marriage in this light, and others, finding that the home is not the supreme concern of the wife, will end their marriage in the divorce courts

3. *Late Marriage* Since both man and woman wish to live on a high standard, there has been an increasing tendency to marry later in life. People who postpone their marriage do not always realize that they are getting more set in their ways as they grow older They are going to have a much harder time becoming adjusted to each other After a short trial it may seem that adjustment is impossible and in order to enjoy themselves as they had before their marriage, they separate

4 *The Effect of City Living* The modern city has had much to do with the increase in divorce At present, 56 2 per cent of the population of the United States live in cities City living has affected people in many ways In the first place, the home becomes a lodging house, especially for the factory worker In the second place, the control of the community over the morality of its members has lessened The person who lived in the small village or in the rural community was always under the watchful eyes of his neighbor The member of such a community was held in check by the open criticism of the whole

community, if he stepped beyond the bounds of the accepted morality. In a large city people think that what they do is their own affair.

5. *Individualism.* The cult of extreme individualism has had an unsettling effect on marriage. For the past 150 years our economic and political thinking has had as its major doctrine the rights of the individual. They were set up as the highest ideal by the philosophers of the Age of Enlightenment and the writers in the Revolutionary Period. Individualism has been made part of the creed of our democratic society. But some have carried this to the extreme of thinking that each individual was a law unto himself. These persons do not see that the basic need of the home is co-operation, not self-interest. Genuine individualism arises out of the realization of the obligation that man has to the group in which he lives. On this is built a sound democratic home and society.

6. *Knowledge of Law and Laxity.* People have acquired more knowledge of law since the beginning of the twentieth century. They know that many real and supposed wrongs, which have been inflicted upon the individual, can be remedied by the courts. This knowledge has led to many divorces.

We have allowed our courts to become lax in the administration of divorce laws. Because people can get a divorce without a great deal of trouble, application for them has increased. This has increased the load of the court, bringing about a laxity which is excused by stating that speed is necessary to complete the work of the court.

People have become accustomed to divorces because they are so common. Hence, the stigma of divorce that was so evident in the nineteenth century has disappeared, because of public opinion. Women know that divorce no longer makes them marked persons.

7. *Religion.* The home has always had a religious basis and the church has always been antagonistic toward divorce. It has served as a compulsive force to keep the home together. However, religion has ceased to be the force it had been in the maintenance of marriage. Not only has there been a decline in religious belief by society, but there has also been a disassociation of marriage and religion.

These are the sociological causes for divorce. They deal not with divorce but with the social order in which we live. They are evidence of faults in society which find their outcropping in divorce. Divorce is not a cause but a result of these social ills.

Attempted Legal Remedies. 1. *The Law Today.* There are those who believe that by stricter legislation the problem can be remedied. There is a need to make changes in the laws of marriage and divorce,

but it must be remembered that such legislation will be only one part of the solution of the whole problem

Both marriage and divorce are matters controlled by the state There is no national legislation regarding marriage because it is part of those powers left to the states National legislation on these matters would have to be preceded by a constitutional amendment

There is no universal age at which one can marry in the United States A great deal of variation in these ages can be seen in the following table.

MINIMUM AGE OF MARRIAGE ACCORDING TO STATE LAW[1]

	Boy	*Girl*
12 states	14	12
1 state	14	15
1 state	15	15
6 states	16	14
2 states	16	16
3 states	17	14
1 state	18	14
5 states	18	15
16 states	18	16
1 state	20	18

The only uniform law in the nation is that all minors must have the consent of their parents to marry In practically all states, that consent must be written There is great possibility of false statements because in only three states must the parents appear before the official who issues the license

In 43 states the applicants can marry immediately upon the receipt of the license, although 23 of these states and the District of Columbia require a wait before issuing the license There is a period of waiting after the license is issued in only 5 states This procedure gives those about to be married a chance for second thought, it allows some time for check-up by the license issuer, and also provides time for a third person to raise objections to the marriage

According to the law in some states a license cannot be issued to imbeciles, insane persons, or individuals under the influence of liquor at the time of application In practically all cases where these qualifications are in force, the issuer of the license is to determine whether or not the applicants fit into these categories Very few, if any, licenses are held up because of these limitations

[1] United States Census

In six states there is legislation concerning the physical condition of the male applicant only The states of Alabama, Louisiana, North Carolina, Texas, Wisconsin, and Wyoming have passed laws which demand a certificate for the male certifying that he is free from venereal disease In 20 states there are laws demanding certification that both male and female applicants are free from venereal diseases There is need for more of this type of legislation

2 *Proposed Remedies in Law* There seems to be need for national laws to be administered by federal courts concerning both marriage and divorce This would mean a constitutional amendment Such national legislation would forestall poor laws of one state defeating the purpose of the good laws of its neighboring state It would stop the crossing of state lines to get married or divorced

There should be no marriages between the feeble-minded, insane, or epileptic Those suffering from tuberculosis or any of the venereal diseases should not be allowed to marry In all of these cases the proof should rest upon the certification by a practicing physician and not the judgment of the license issuer There should be legislation on the minimum age of the parties concerned Any federal legislation on marriage should be to encourage the marriage of all normal persons and not to make it difficult for them to marry However, we must remember that laws cannot do what education can Our greatest need is to raise the mores of America through education and public opinion

There is distinct need for reform in the divorce laws of the nation These should be based on general principles that can be applied to individual cases by a trained personnel The number of grounds of divorce could be lessened Restriction of remarriage after divorce would lessen the number of divorces At the present from 30 per cent to 50 per cent of those persons who are granted a divorce remarry This would be diminished by having conditional divorce decrees A period of two years before the decree became final would eliminate a great deal of hasty remarriage

The granting of alimony has been questioned for a long period of time The tendency of the present is to do away with it because women have as much chance as men in industrial employment Some of the outstanding jurists see nothing but evil in alimony They claim that it makes women lazy, it gratifies their wish for revenge, it makes men miserable and limits their possibility of building a new home In many cases it serves as a barrier to reconciliation, and its major effect at present is to increase the fee of the professional divorce lawyer.

The principal reason for reform in divorce legislation is to protect

the children. The greatest harm of divorce falls on the child, who has a feeling of inadequacy and a distorted view of life from living in a broken home Every child has the right to a home life that is built on love.

Superficial changes will not solve the problem of divorce. Legislation will not do the job completely, but legislation that is properly applied will assist in doing it The patriarchal type of home has been on the wane for the past century The hope of American society is to replace it with a democratic home. If the young people of tomorrow are going to be able to build this home, they will have to be educated to the task They must be prepared for parenthood Not only will the school carry on this education, but the state and the church will have to help Through education, habits and mores are easily formed These are the things that will aid in developing a democratic home.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest monogamy, polyandry, polygyny, patriarchal, functions of the family, equality of sexes, emancipation of women, extreme individualism, compulsion of religion

INFORMATION, PLEASE!

2 **a.** Why is monogamy the accepted form of matrimony? **b.** Why is rearing the child as important as bringing that child into the world? **c.** Why is the home so important to the child during the first five years of life? **d** Why was the rural home such a complete economic unit? **e.** What effect did the Industrial Revolution have upon marriage and the family? **f.** Why is it said that divorce is primarily a problem of the United States? **g** Why is it said that there are too many legal grounds for divorce in the United States? **h.** What is the difference between legal grounds for divorce and sociological causes? **i.** What is the reason for wanting federal legislation on marriage and divorce? **j.** What is the basic reason from the standpoint of the child that we should attempt to eliminate divorce?

CAN YOU THINK?

3 **a** It is said that monogamy is pragmatic—that it works From the sociological and spiritual standpoint, explain why this is true, particularly in relationship to the betterment of the society in which we live **b.** The

home ceased to be an economic unit with the introduction of an industrial society Explain what happened in this transition from rural to manufacturing society **c.** Divorce is evidence of social disintegration What does this statement mean? **d.** Under national legislation the poor legislation of one state will not be able to break down the advanced legislation of its neighboring state What is the meaning of this statement and what are the evils that we are attempting to eliminate? **e** Legislation should encourage the marriage of all normal people What factors must be considered if this is to be brought about?

WE LEARN BY DOING

4. **Panel Discussion.** Monogamy is the only form of marriage that can perform the task set up for it by modern society **a.** a statement of the task, **b** how monogamy performs the task, **c.** why monogamy can perform the task

5 **Debate** Resolved That Divorce Leads to Greater Morality

6 **Research Project.** Compile a summary of the marriage and divorce laws of your state and give a report on this project to your class

WE READ FROM OTHER BOOKS

7 **The Development of the Modern Family** C Ellwood, *Social Problems and Sociology*, chaps iv-vii, W Goodsell, *Problems of the Family*, chaps. i-vi, P Landis and J Landis, *Social Living*, chap xiii

8 **Divorce.** M Elliott, F. Merrill, and C Wright, *Our Dynamic Society*, chaps xvii-xx, C Ellwood, *Social Problems and Sociology*, chap viii, W Goodsell, *Problems of the Family*, chaps vii-xvii

9 **Novels Concerning Marriage** S Asch, *Mother*, A Bridge, *Illyrian Spring*, G Carroll, *As the Earth Turns*, W Cather, *Lucy Gayheart*; J Galsworthy, *Flowering Wilderness, Forsyte Saga, Maid in Waiting, Man of Property*, J Hilton, *We Are Not Alone, Random Harvest*, J. Lawrence, *The Sound of Running Feet*, E Wharton, *Ethan Frome*, D Wickenden, *Running of the Deer*

CHAPTER 9

YOUTH WILL DESIRE TO CREATE A DEMOCRATIC HOME

★★

With the passing of the great family, nearly every person is or will be a part of two family groups, that of his youth and that which he will create. He has some influence in the home of his youth, perhaps more than he thinks But the family he will create in the future will be the keystone of his personal existence If that existence is to be successful and make a real contribution to democratic living, this family must be as close to the ideal as intelligence and energy can make it

★★

The Intelligent Selection of a Mate

Democracy is not just a political theory. It is a way of life that stresses the ideas that the individual matters and that he should develop into a happy useful person Too often early home life has made this development difficult George Bernard Shaw has said, "The home is the last autocratic institution left in this world, usually governed by the worst disposition in it" Such a home, where unreasonable force, rather than co-operation, is ruler, is out of place in a democratic society If authority based on persuasion and agreement is valuable in society, it is good in the family This is the kind of family young people want to create The first step is the intelligent selection of a mate

Individual Choice. Some of you may have the idea that you have already met your perfect mate You may think of love and marriage in the idealistic terms of a romantic book or movie where all problems seem to be solved in the fade-out before the altar It is not likely that you have consulted your parents on this matter You believe that if you are going to live with someone, it is your right to select that one and not the right of parents Possibly this is one of the reasons why there is so much divorce in the United States

If you lived in France, Spain, or Italy, your parents would have a great deal to say about whom you would marry They would make sure that the young man was able to support the prospective bride or that the proposed bride would make a good housewife and mother They would be particularly interested in the social position of the

person their child marries Love, as American youth thinks of it, would be a negligible factor The European system of courtship is based on this fact there is no such thing as the inevitable success or failure of a marriage Success or failure depends rather on the efforts of the couple who are united

However, as Americans, the majority of you will continue to pick your own wives and husbands without the aid of your parents This is

Farm Security Administration, photo by Marion Post-Wolcott

The rearing of children is one of life's most satisfactory experiences.

an individual right that involves a serious individual responsibility Thus, it is necessary to develop the method of selection which will lead to successful marriage

Eighty-five per cent of you will be or will have been married before you are thirty-five years old The remaining 15 per cent will be divided into two groups those who cannot get married, and those who do not wish to get married

Love Love is something that most people experience at one time or another Nevertheless, few people would define it the same way But if you are going into marriage with your eyes open, you must have some idea of what love really is The important thing is that at different times love is a different emotion What you may think of as

love now may be the wrong kind on which to base marriage, for there is a kind of physical attraction which many young people mistake for love.

Love has general symptoms which can be recognized Do you enjoy being with this person more than with any one else? Are you unhappy when he is away? Does this individual wear well? Are you never bored when you are with him? Do you appreciate the lasting parts of his personality, the mental and spiritual? Are you proud of him or her when compared with others? Do you have much to say to each other? Do you take the judgment of the other person into consideration in making your decisions? Is there always a feeling of comradeship? If you can answer yes to all of these questions, there is a good chance that you are in love

When you associate with various people you are in a sense preparing to make a choice As you meet more people, your experience and judgment are widened It is not wise to cut this experience short and marry before your judgment has had a chance to be formed

Love and sex are not synonymous, although certain motion pictures and novels may lead you to think they are. Sex is the physical union of two individuals Love adds the mental and spiritual qualities to the physical No one should minimize the importance of sex, for it is the stimulus that makes love possible It is a part of love, but not all Love is not something which is finally satisfied and is then transferred to someone else Instead, it is a thing that grows as it is fed You cannot love someone and at the same time ask, "What am I going to get out of it?" One of the major characteristics of mature love is unselfishness Like anything else of real importance, you get from love just about what you put into it

The Health of the Individual. 1 *Inheritance* Health is highly important to a successful marriage Since certain diseases are inherited from one's ancestors, you should know something about the family of the person you marry If there is feeble-mindedness in your family or the family of the person you expect to marry, it is possible that your offspring will have that trait If insanity appears quite frequently in either family, it is nonsense to think that the next generation can escape it. Epilepsy, so far as it is known at present, also may be inherited

Certain diseases have a tendency to run in families Among these are hæmophilia and organic weaknesses, such as a defective heart, lack of elasticity in the vascular system, which leads to the disease commonly known as hardening of the arteries The tendency toward other

ailments, such as high blood pressure and heart lesions, are also inherited It is also believed at present that cancer runs in families It would be unfortunate for a healthy individual to marry into such a family where in early middle age the mate becomes a semi-invalid or, what may be worse, dies from an affliction of which you knew when you married.

2 *Infectious and Venereal Diseases* It is foolhardy to marry someone with an infectious disease You may contract the disease yourself and there is also the possibility that a good part of your married life will be devoted to taking care of an invalid The most common infectious disease that one may come into contact with at the marrying age is tuberculosis

There are two major venereal diseases, syphilis and gonorrhea Syphilis has always been considered the more serious of the two It has the more drastic effect and is more difficult to cure It can be acquired through cohabiting with an individual who is in the primary stage of the disease or through congenital infection during the time of pregnancy One of the major reasons why we are trying to stamp out syphilis today is its dangerous effects on the mother and offspring A diseased mother is likely to lose the embryo before it is mature Another frequent disaster produced by syphilis in the mother is stillbirth, meaning that the child is born dead If the child lives, the effects are numerous One effect may be the disease which is commonly known as "water on the brain" The infected child is likely to be a weakling Often the disease settles in the liver and the spleen Blindness and deafness are often the result. A type of meningitis is caused by syphilis. One who has this disease in his blood, and does not attempt to cure it, is in danger of early death

Gonorrhea is not a blood disease, but one which attacks the glands In extreme cases it travels through the glandular system causing arthritis One of the most common results of the disease is sterility in the male Offspring who are infected in the uterus are usually blind at birth

From the point of view of society, marriage is a failure unless there are children For this reason, it is necessary for us to be in the best possible health when we are married so that our children are born healthy and have a chance to live a full life If they are infected with venereal disease, or are sickly because of its effect, they have to start life with a tremendous handicap

From all this it is easy to see why there is so much talk of requiring physical examinations before marriage and why it is so important to

attack the so-called social diseases by name, instead of treating them in a hush-hush manner Thomas Parran, Surgeon-General of the United States, reports that by straightforward education and compulsory treatment, Sweden, by 1934, had reduced its syphilis rate to one-twelfth of what it was in 1919

3 *Emotional Instability* Emotional balance is a matter of health The cure of emotional weaknesses has been undertaken only since the rise of the science of psychiatry[1] Emotional weakness is the inability to meet adult situations People with unbalanced emotional equipment are generally miserable themselves and they make those around them just as miserable. An emotional weakling is in no position to fulfill his or her share of the exacting bargain of marriage

The Character of the Individual. 1 *Honesty.* People who intend to spend the rest of their lives together must, above all else, be honest with one another Marriage must be built on mutual trust, as well as mutual affection Honesty is the basis of character

Closely related to honesty are sincerity and a sense of fair play Playing the game according to the rules, and consideration for the other fellow's point of view must be a part of marriage In a co-operative enterprise like establishing a home, "we" and "us" must replace "I" or "me"

2 *Normal Reactions* Party manners are like the false face you would wear to a masquerade And when you are courting someone, or are being courted, you can be fairly sure that each of you is wearing a false face for the benefit of the other But what are you like when you take it off?

Once married, most people feel that the play is over, it is no longer necessary to make an impression When deciding upon a husband or wife, you have to ask yourself, how is he going to come down to breakfast, day after day, year in and year out? Is he or she going to be gracious and polite? These are the little things that people talk about so much They are a major factor in deciding whether life is going to be miserable or pleasant You must be able to judge what a person is really like under his or her party manners

Another way to judge what people are really like underneath is to be with them in some unexpected circumstance How do they meet a sudden and unpleasant problem? How do they act when they are forced to do something they do not like? Nature has a way of presenting crises that must be met When you and the person you wish to

[1] Psychiatry the branch of the science of medicine which attempts to cure mental and emotional ills

marry are put in a situation like those which will appear abundantly in married life, you can both find out the real quality of character

3 *Tolerance* More important than the ability to take life in your stride is the quality of tolerance. The tolerant person realizes the other's failings and understands them, knowing that he, too, has many weaknesses The necessary compromises and adjustments of marriage make tolerance a most important quality The qualities that are admired in all men and women should be apparent in the person you marry The chances of reform after marriage are not great

What People Should Look for in Each Other. 1 *Community of Interest* People who are going to marry should have similar likes and dislikes Their tastes, ideals, and standards should be very much the same This does not rule out the possibility that two people can develop pleasure in new things People who marry must be flexible so that together they can create a satisfactory existence

2 *Religion and Education* There is less possibility of friction between individuals of the same religious faith There is a great deal of talk about present-day tolerance and understanding of people This is true in the broad and objective sense In personal problems, however, people are less apt to be broadminded If two people of different religions can, before marriage, come to an understanding of what they will do in all cases and emergencies, they have a possibility of succeeding in their marriage

Differences in education are most difficult to reconcile There is a great variation in educational levels High school is not merely a continuation of elementary school It is rather learning to use the tools acquired in the lower school It is a higher ceiling of intellectual development. The same thing is true with regard to college and university training in relation to high school The beautiful girl with an elementary school background can very seldom hope to think of things in the same way as a college man The gap is too great, there is not enough in common to permit the growth of real companionship

3 *Finances* People who are going to marry must calculate their possible incomes and agree how the family money is to be managed Usually the man is the financial head of the house This is a custom that has come down from the patriarchal family It may be wise, but it is not the only way to handle family finances The best way is to put the money problem on a co-operative basis This permits a better understanding of the financial condition of the family and gives both husband and wife a sense of responsibility and satisfaction There are

cases when the wife is a better financial manager than her husband In such circumstances, the control should be given to her

4 *Marriage Is More Than Sex* Sex has been popularized in all forms of literature. It is an important part of marriage, but it is not all of marriage As marriage continues over a period of years one finds that sex loses its luster and importance and in its place are other interests of the intellectual and spiritual nature that far exceed it in importance The building of a home, the rearing of a family, the love of great books and great music, the comradeship that is seen in the contentment of just being together, all of these have the tendency to push sex into the background of one's life Success and happiness in married life is based upon the realization of this fact

Establishing a Democratic Home

To Be Settled During the Engagement Period 1 *Pre-Marital Examinations* Both people about to be married should be willing to submit to pre-marital examinations Venereal diseases can be so damaging to the life of both and to their offspring that two people in love should want to have such examinations In several states laws have been passed that such examinations must be submitted to before the granting of a marriage license. Intelligent people should not have to be forced by law to carry out this obligation to themselves and to the children they hope to have

2 *Former Sweethearts* Former sweethearts must be ruled out In most cases, any relationship with any of these, other than strictly casual, will lead to dissension and argument between the newly married couple. In short, burn your bridges

3 *Your Own Home* You should establish your own home It may be cheaper to live with one of the in-laws, but it will not help in adjusting yourself to married life or give the amount of privacy needed in early marriage You are going to have arguments and you do not want to stage them in front of your relatives. An old adage states "There is no roof large enough for two families, nor is there one too small for one family"

4 *Children* You are going to have children They are not brought into the world for the entertainment of the grandparents The wife's and the husband's parents will agree on one thing, that you are bringing up your children all wrong Maybe it's true, but never forget that it is all your job More children are spoiled by their indulgent grandparents than by their own mothers and fathers

5. *Your New Social Unit* When you marry, you will be starting

a new family unit This new unit must take precedence over the ones from which you came It is your job to stick together and stand as one in any conflict with the outside world If you don't, your home will never be the close-knit unit that it must be if it is to succeed

Love must be fed if it is to grow You cannot stop being considerate of each other if you expect love to mature and form a basis for a real home Because you are sure that you have each other is no reason to forget that the happiness in life comes from consideration and unexpected pleasures, no matter how small they may be

If you have considered these various items and have found the one you hope to marry does not measure up, break the engagement The engagement period has become one of probing in order to see if the girl and man are suited to each other If they are, there is the possibility of happiness in marriage If they are not suited to each other, there is no reason why two lives and maybe more should be ruined because of the lack of courage to call it off

Financing the Home 1 *The Standard of Living* Young people cannot marry on love alone There is a need for money enough to furnish an income that will take care of the necessities of the young couple

An adequate income depends upon the standard of living which the young couple think they must maintain and the community where they have their home This standard of living consists of the "sum total of satisfactions which we and our group continually consider absolutely essential" Those things absolutely essential to some are luxuries to others The essentials of others may be slum existence to some Thus, no single sum of money can be considered as an adequate income to all The community in which you live also determines the income necessary to produce an adequate standard The person in a small town, who has a garden and pays low rent, can have a standard as high as the city dweller who earns twice as much

The standard of living should be in harmony with the family income To live within one's income is the height of respectability and a fine achievement But this is not the answer in which youth is interested Youth wants to know how to increase the income so that the higher standard of living can be obtained

2 *Should Married Women Work Outside the Home?* A young woman may have to wait until the later years of her life before she can marry if she wants a husband to support her in a manner to which she is accustomed As a result, many young couples get married and both work They have to do this to get a start in married life. Both

carry part of the financial load and both share in the homemaking. The young husband aids in the housework and the whole marriage becomes a distinctly co-operative affair. In many instances, this brings them closer together and the bond formed during these early years holds them together for life. Such activity is wholly democratic.

There are millions of women who work after they are married because they have to. Their husbands will never be able to support the family completely. The woman, if she marries at all, must take a double load. She must earn money and she must attempt to be a homemaker.

In most cases career women should not marry. A mother cannot be replaced by hired help, nor can she expect the home to function as well as if she personally took charge of it. This is especially true when there are children. No nursemaid can do the job of mothering children as well as the intelligent mother.

The right of women to work out of the home has been defended by some on the basis that housework is no longer a full-time job because of modern appliances. This has been refuted by a recent survey which shows that the average city housewife still spends 51 hours a week keeping house and the rural housewife spends 62 hours a week performing the same tasks. Homemaking is still a full-time job. But more important than keeping house is the job of bringing up the children, who are to be the citizens of tomorrow. Seldom should a mother do outside work when there are young children whose characters are in the process of being formed.

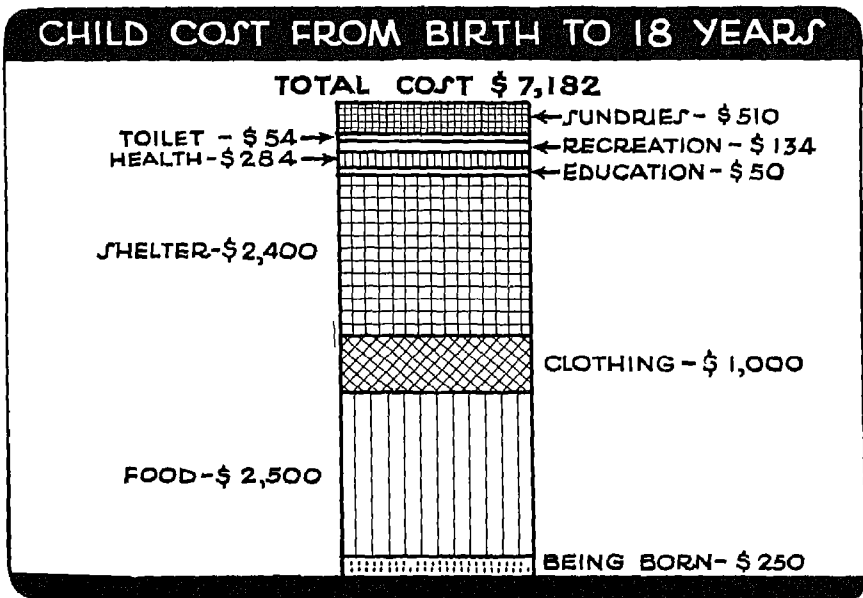
The Budget. Most people are afraid of the word "budget." They are afraid that they cannot make one work. But all of us budget in some way or another. The high-school boy and girl on an allowance generally budget. If they have sufficient lunch money on Friday they are probably budgeting successfully. They have found a simple way of regulating their expenditures to fit their income. Budgeting is nothing more than making an inventory of resources and then scheduling the expenditures.

1. *Basic Expenditures.* There are basic expenditures in marriage that must be met. Shelter, food, clothes, are the three essentials and they consume the bulk of the income. Shelter should not take more than 25 per cent of the income. Food takes from 25 to 33 per cent of the income, and clothing should not take over 15 per cent of the income. Thus, we spend more than 70 per cent of our incomes on these three basic items, and all other expenditures must be met with the 30 per cent, or less, of the income that is left. This is the way the income is generally distributed if it is $3,000 or less annually.

2. *The Other Expenditures* The way you spend the 30 per cent that is left determines whether or not you stay within your income and live on a standard that is appropriate to your income. Savings, transportation, insurance, recreation, medical and dental care, and all other expenditures come from this part.

Savings and insurance (which can be considered a type of savings) should take from 6 to 14 per cent of your income if it ranges between $1,200 and $2,500 a year Transportation should not take more than 3 per cent This leaves about 18 per cent of your income for medical care, recreation, and all other expenditures This is not a great amount of your money, but it will do if you plan wisely

There is very little need for buying recreation Recreation means activity, not buying a spectator's ticket It is this type of recreation which is the most worthwhile Medical care is another matter It has been found that the larger doctor bills come when one has neglected his health Going to a doctor once a year for a check up is cheaper than waiting until you are sick.

Babies cost money The initial cost varies anywhere from $50 to $200, depending upon the locality in which one lives But this is not the entire cost of having children They are a responsibility and an expense The Metropolitan Life Insurance Company has made an estimate, illustrated by the chart, of the cost of each child in a family of five whose income is $2,500 annually.

From this table you can see that children are a distinct expense. However, their worth can never be counted in dollars and cents. Financial cost is mentioned only in reference to this subject of budgeting.

3. *Long Term Planning.* Planning expenses over a short period of time is a grave error. Your budget should be made on a yearly basis. Many items are not considered when planning over a shorter period of time. Thus the real value of budgeting is lost.

If the budget is to be of any value, it must include all resources and all expenditures. You will fail to make both ends meet if you forget to figure costs of replacement. When you furnish a house or buy a motorcar, you must realize that these articles are going to wear out. You must have a reserve fund that will take care of the repairs or the new purchases. If you plan wisely, this fund will be ready to be used when the time comes. You can follow the lead of the industrialist who always lays aside a certain portion of his resources for the depreciation of equipment.

There are two other principles that should be kept in mind. In the first place, your budget will not be perfect. It will not balance to the penny at the end of the month. If your budget helps you to live within your income it has done its job. The other principle to keep in mind is that the budget works better if an amount is planned for each large item and the spending for that item is kept within the amount set up. This process is more practical and eliminates the attempt to keep track of the small detailed spending. Such detailed accounts defeat the purpose of the budget.

The practice that destroys the worth of budgeting is trying to "keep up with the Joneses." Some people feel that they belong to a certain social set, and that they must have the same standard of living that the others in the set have. In many cases this means living beyond one's income. To do this destroys any possibility of financial stability.

The Basis of Success. The democratic home must be founded upon intelligence, judgment, and congeniality. Successful homemaking takes work and effort. The home has a better chance of success if the people concerned marry when they are mature. As a general rule, it is unwise for people to marry while still in their 'teens. And after thirty years of age individuals generally have become set in their ways and it is harder for them to make the adjustments necessary to married life. The middle twenties is probably the best time for people to marry.

A home must be congenial. Two people must be able to get along together and enjoy living together. They must wear well and not

continually conflict with each other emotionally Mature individuals, after years of living together, become a close-knit union, complementary to each other in word and deed

The Democratic Way of Life in the Home

After the Honeymoon Young people expect great things to happen when once they are married They think that some miracle is performed and all will be smooth sailing This is not so Invariably there is a let-down after the honeymoon Two distinct personalities have come into close relationship and there is bound to be some friction If there are bad habits, marriage will not make them into good habits Each person has his own peculiarities that are not always evident during courtship People must be able to stand the wear and tear of everyday life in order to make marriage a success

Most people are at first disappointed with marriage They expected eternal love making such as preceded the honeymoon Real life does not include continued emotional extravagance But if you make a success of marriage, you will find that there is a greater miracle than you had anticipated The love that evolves in the successful marriage is more vital than the adolescent variety It is love that is based on the firm understanding of two individuals who have come to know and appreciate each other

When an Argument Arises. Many young people believe that their marriage will be different, and there will be no arguments They are wrong Two personalities cannot live so close to one another without clashing at some time or another

There are various ways of behaving in such a situation In the first place, one may take an injured attitude He may feel that he has never had a chance He believes that there is nothing he can do about it He lets this feeling grow and finally has himself in such a mood that he says, "What's the use?" By this time he is ready to end the whole thing with a speedy divorce Another attitude is that he cannot stand it any longer and that there is only one thing to do—to run away Or, he can become revengeful He has been hurt and must hurt the one who has hurt him.

None of these methods will remedy the situation They are a way out but not a solution People really will have to meet such problems and not run away from them They should search for the real causes behind the crisis Once these are located, some way in which to eliminate them can be found There can be no settlement of any disagreement if only one of the parties is willing to settle the matter Both

will have to forget their own selfish interests for the good of the home When this is done, chances for a happy married life will have been increased, unity preserved

The Rules of the Game. Marriage is the greatest game that life has to offer Practically all of you sometime or another are going to take part in this game There are a few rules by which the game is successfully played If you follow them, your marriage will be a success and it will be basically democratic

1. *Learn to Forgive and Forget* No one is perfect All of us are likely to make errors that will hurt another There are very few people in this world who would intentionally hurt another person If you are able to forgive, it will be easier for him to do the same when you unthinkingly hurt him Look always for the answer that is not based on emotional judgment

2 *Respect the Other Fellow* The other person has some good qualities That is why you married him Be proud of him for those qualities he has and let him know it Respect his good qualities and his ideals If he or she has certain standards of decency, of courtesy, of good sportsmanship, try to live up to them The other fellow has rights as well as you have and each of you have obligations to the other Respect will not only raise the level of your relationships but also will bind you more closely together

3 *Do Not Irritate* Most of us are selfish enough to do things at times that we know are irritating Such action leads only to rancor and temper Constant criticism degenerates into nagging It only leads to a feeling of inferiority that very quickly rusts all the bright hopes of marriage Do not intentionally hurt the other's feelings It may aid in the development of a martyr complex which when fully developed means that successful living is impossible

4 *Find a Way of Doing Things Together* If one person goes one way and the other goes another, there is no basis for a community of interests There can be no real home without interests that develop the keen enjoyment of doing things together If one likes to play a certain sport, the other partner should at least become an interested spectator If one is interested in the arts, the other should learn something about them This will not only help to cement your marriage, but it will enrich your own life Doing things together leads to happiness The enjoyment of having fun together, the little jokes that happen in such experiences and which become bywords in the family circle, the exhilaration of competition between the two parties con-

cerned, all lead to ties that bind more closely than any of the superficialities of modern social life

5 *Pleasant Surprises* All of us enjoy a surprise gift That gift may be almost anything But if it is something that one likes and has wanted, it will surely be appreciated and cause a warm glow for some time to come Perhaps it will be a single rose Or, it might be a special dish that the other enjoys Or it might be, on very special occasions, something very expensive No matter what it is, it will take the humdrum out of that day's existence

6 *Discuss Your Problems* Life is full of little problems and occasionally there is a major problem Any problem that is thoroughly discussed is nearer to solution than that which is turned over in a single mind Talking things over should be a rule in every home It brings co-operation and binds two people together The judgment of the woman in many cases is intuitive and sound She has a point of view that is distinctly feminine and in many cases is more practical than the point of view of the male Help each other in making decisions

7 *Understand Each Other* To understand each other includes being just There are times when compromise is necessary You must have knowledge of the deep-seated feelings of the other person to understand him or her thoroughly You must know what is important to him and what is not You must realize that there are certain points on which concessions will be made, but there are others on which no compromise is possible These latter are the basis of one's whole character

8 *Trust Each Other* Two people must trust each other if they are to enjoy living together There can be no doubts as to each other's basic honesty If there is, there can be no real happiness To many this is an extremely difficult task

9 *Life Adjustment* Marriage is all of life, not merely part of it Life includes not only a physical side, but also a mental and spiritual aspect Therefore, there is the necessary adjustment on three planes rather than the one If marriage is going to develop the good life, then we must always keep in mind that the good life is three-sided

10 *Be Willing to Grow* Many of our ideas on love and marriage begin when we are adolescents But we do not remain adolescent all our lives We grow physically and mentally We change our ideas on many things, including love The love that was largely outward expression in our youth becomes less expressive and more understanding It must take on the responsibilities of maturity If we are to

grow to maturity, we must put away our youthful ideas and in their place we must face life as it is

11. *Have Children* Desirable couples should have children Not only should they do this for society but so that they can experience the greatest thrill that man can have At a Youth Congress held in Cincinnati in 1937, all of the young people present expressed the wish to have children Not only should there be children, but these children should have the feeling of security in the home Otherwise, the child loses one of its most important birthrights The greatest evil of divorce is the feeling of insecurity that it fosters in the child

12 *The Welfare of the Family Comes First* When you marry, you should cease to think only of yourself Marriage is a partnership in which all members must be considered at all times This question must always be paramount What is the best for the family? This calls for the development of the virtues of self-sacrifice, obedience, loyalty, and self-subordination The home must be a co-operative enterprise It must do away with the extreme idea of individualism that has been so prevalent in the United States You must build a home and a family, not a house with a group of self-centered individuals living in it

Henry Turner Bailey, who has been very active in art education in this country, has aptly expressed the meaning of home in his book, *Yankee Notions*:[1]

> "I refused several rather prominent positions in the art education world, in those days, positions carrying double the salary I was receiving, for the sake of the children Then mother and I agreed that they should have the advantages of a life in the country until they were all through high school at least, that they should have the vivid memory of a real home with open fires, with helpful chores to do for the family, with a well stored cellar and a big attic full of old things, with a lot of books to read and a workshop where things could be made with real man-sized tools We have never regretted this decision"

This man gave up one of the most important things in most men's lives, economic advancement, in order that he might build a real home The major objective in this home was the development of the children When that was completed, then other plans could be made

Conclusion In concluding this chapter on marriage and its problems, one fact must be emphasized marriage is fun We have talked of the sociological function of the home, of the economic factors that make a successful home possible We have emphasized the primary

[1] Bailey, Henry Turner, *Yankee Notions*, Cambridge, Massachusetts Washburn & Thomas, 1929, p 161

function of the home in society But the home is more than this When two people marry and do so with some degree of intelligence, they are the ones who have the most fun in our modern society They go through life realizing that they have been awarded its greatest gifts, contentment and the joy of working together and the feeling that they have accomplished something worthwhile

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use the following words in relation to the ideas of social living they suggest love, individual choice, character, community of interests, emotional instability, sex, standard of living, martyr complex, welfare of the group, democratic home

INFORMATION, PLEASE!

2 **a.** Is there any difference between love and physical attraction? **b.** What inherited characteristics must we be careful not to pass on to the next generation? **c** Why is it that both parties to a marriage should be free from contagious or venereal diseases? **d** Should you judge character by the party manners of an individual? **e** Why should both the man and girl planning marriage be of the same religion and mental capacity? **f** Why should young married people establish their own home? **g** Should married women work outside the home? Give reasons **h** What is meant by the statement that all persons should budget in some manner? **i.** What is the only manner in which an argument can be settled successfully?

CAN YOU THINK?

3 **a.** Honesty is the basis of any successful marriage Explain the various phases of life that must be affected by such honesty? **b.** Successful marriage can be found only when there is a community of interests Explain fully the various interests that are essential to bring about this type of marriage Would you be willing to build a case against this statement, and if so, how would you do it? **c.** Marriage is the physical, mental, and spiritual union of two individuals Show the validity of this statement, explaining how all three are essential to bring about complete success in marriage **d.** The democratic home is the type that will be able to survive How can democracy really function in the home? Give illustrations

WE LEARN BY DOING

4 **Evaluation.** List the characteristics, in descending order of importance, that you hope to find in your prospective mate, giving the reasons why you place each one in the order that you do

WE READ FROM OTHER BOOKS

5. **General Readings** R Burkhardt, *From Friendship To Marriage*, F. Fisher, *How To Get Married and Stay That Way*, J Gaer, *Consumers All*, chap iv, R Gavian, *Society Faces the Future*, chap xii, S Goldstein, *The Meaning of Marriage and the Foundations of the Family*, *The Good Housekeeping Book of Marriage*, M Kearn, *Getting Along Together*, J Quinn, *Institutions of the Social World*, chap iii, F Strain, *Love At the Threshold*, F Rnch, G Mackenzie, and H McClean, *People Are Important*, Part III and Unit IX

6 **Pamphlets** R Dickerson, *Getting Ready To Fall In Love*, *Getting Started In Marriage*, *Things That Count In Courtship*, *When a Couple Are Engaged*, E Groves, *Marriage and Modern Life*, *Behind the Syphilis Campaign*, Public Affairs Pamphlet, No 24, *Should Married Women Work?*, Public Affairs Pamphlet, No 49, T Rice, *The Age of Romance*, T Rice, *Venereal Disease*

7 **Biography.** E Curie, *Madam Curie*, E Ertner, *Gilbert Head*, H Bailey, *Yankee Notions*

CHAPTER 10

RECREATION AND LEISURE LEAD TO A HAPPIER LIFE

★★

The English word leisure comes from the Latin "licere," meaning to be permitted In a real sense, then, leisure is a right to do something It is not, as so many people would think, merely the right to do nothing at all. Taking a rest can be leisure, but it is a very small part of what leisure can really be Essentially, it is permission to act, to do the things you want most to do Today more than ever we can achieve a full and satisfactory life only by a wise use of leisure

★★

The Need for Leisure and Recreation

Contentment in Life The goal for most persons is a happy, contented life For different people this means different things The Indian Yogi may find it in a life of rigid contemplation An American social worker may find it in a busy round of charitable activities But for most of us, there seem to be four necessary conditions (1) There is the work we do If it is suitable to our ability, if we enjoy it, and can see something worthwhile in it, the first condition is fulfilled (2) Our philosophy of life, our feeling of values in ourselves and society, must be satisfactory (3) The relationship that we establish with the few we love must make a happy home life (4) We must work out a program of leisure-time pursuits that will meet our needs In other words, the culture of any group is largely expressed in these ways labor, philosophy, family, recreation Perhaps philosophy is too abstract a term Some substitute religion and education for it It seems clear that the balance between the first and last of the series, work and play, depends on the amount of time the individual is free from the struggle for existence This, in turn, depends on economic technology. At any rate, this outline poses four all-important problems for each person One of the purposes of this book is to suggest some answers

What Is Leisure? According to the dictionary, "leisure" means (1) time which is at one's own disposal and is, therefore, free from compulsion, (2) to proceed without haste, that is, deliberately and guided by one's personal choices or preferences Leisure is hardly to be viewed as idleness but rather as opportunity, for during leisure time the worker has the chance to develop capacities and phases of personality

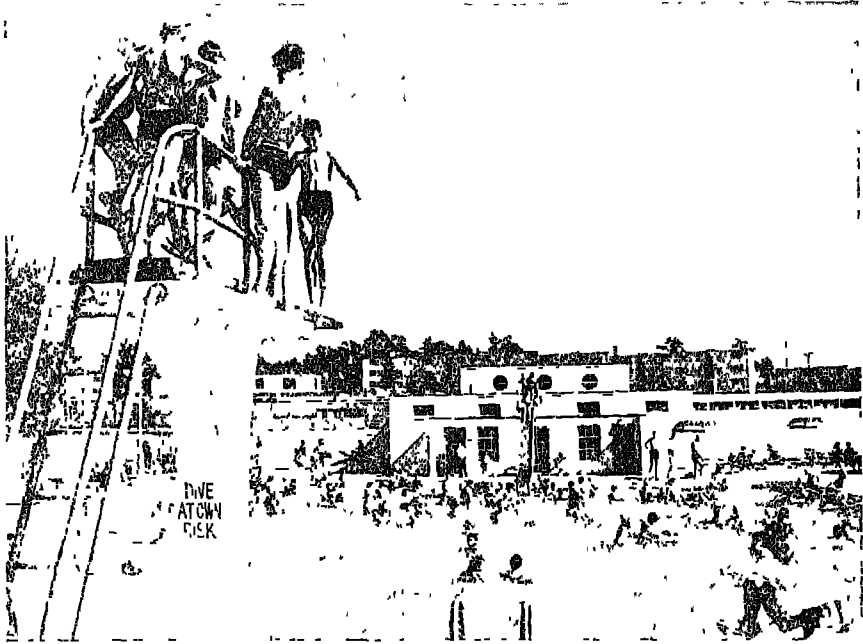
which cannot come from his work. Machine work today requires a certain co-ordination, particularly of the forearm, the foot, and the eye, but it does not need the human organism as a whole And in few cases does it call on the whole intelligence Where this is true, and the work is monotonous or disagreeable, the importance of leisure becomes obvious. Lord Tweedsmuir called leisure "the margins of life

Farm Security Administration, photo by Marion Post

The country provides many kinds of recreation for rural children

left to us when we have completed the tasks which earn our daily bread" He lists the uses of leisure as (1) cultural, the development of interests wider than vocations through books, art, and nature, (2) practical, the chance to think and plan for greater efficiency in our work and to see the task as a whole, and (3) philosophical, to work out our idea of life and its problems The task of working out a program for leisure is primarily a personal one, since there is no compulsion in a democracy It is also to some extent, a problem for government to provide facilities for leisure activity

What Is Recreation? Recreation is those diversions with which men fill their leisure time To re-create means to invest with fresh vigor, to refresh It should not be considered merely as bodily exercise but rather as an opportunity for continuing education, for taking part in

civic affairs, for experiencing artistic enjoyments, for developing skills, and for the enjoyment of nature It should represent free choice and may be active or passive Some recreation is commercialized and some is not For many obvious reasons, people should try to find active, non-commercialized recreations Gavian[1] points out four tests for a

Farm Security Administration, photo by Marion Post

In urban areas it is necessary to provide facilities for recreation This is a community swimming pool in Greenbelt, Maryland

good recreation (1) It satisfies the doer He selects the recreation because he likes it, not because it is the fashion It meets his needs and absorbs his interest (2) It offers a change from his work The office worker likes to get out of doors for needed exercise The manual worker enjoys a chance to lounge and rest (3) It should be of relatively permanent interest The type of recreation that can be pursued for a long time with continued interest is best Gardening, reading, fishing, collecting, are the kinds of recreations that people follow for a whole lifetime (4) It should promote well-being Physical and mental fatigue should disappear through recreation A certain amount of physical exercise is usually helpful for this purpose Obviously,

[1] Ruth W Gavian, *Society Faces the Future*, New York D C Heath & Company 1938, p 339

some kinds of recreation, such as drinking and gambling, will not re-create, but de-create.

Attitudes toward Leisure Only recently has the use of leisure become a subject for community and national planning. Such planning has shown that, despite our educational objective of worthy use of leisure time, many regard leisure as waste. Eduard Lindeman, Director of the WPA Recreation Program, lists five difficulties that show changing attitudes toward leisure time. (1) The Puritan tradition expressed a negative attitude toward play. Playtime meant the devil's time. Cessation of work meant idleness. (2) Much religious philosophy has asserted that the spirit and the body are separate, with the body wholly inferior. This idea has hindered the growth of physical recreation. (3) Our frontier civilization developed a cycle of hard work and hard play. From the frontiersmen we have a tradition of leisure spent in fighting, gambling, and drinking. (4) Recreation is thought of by many as being for children only. The middle-aged American may not think that play is possible unless he can run, jump, or hit a ball as children do. (5) Finally, when America did take up recreation in a conscious way, the tendency was to limit it to physical activities. This is too narrow a concept, as has been pointed out above.

Every person has leisure. Everyone fills it with some sort of recreation. Wise use of this time makes a happier, better person. Unwise use of this time leads to unhappiness. This is a choice none escape.

Studies of Leisure-Time Activities

Changing Conditions. The underlying reason for the emphasis on leisure activities is the increased amount of leisure that most people have today. It was not long ago that men worked 16 hours a day for six days a week. By the time of the Civil War, hours had been reduced to 12 and, in some industries, to 10 per day. The movement for the eight-hour day started soon afterward, and has generally been accepted. The standard work week now is 40 hours. In addition, child labor laws have released young people from industry, prolonged their schooling, and given them more leisure time. The same tendency has extended into the home through the addition of labor-saving devices.

At the same time, the growth of city population has decreased the play space for children and adults. Not only are there fewer open spaces in which to play, but the homes are smaller and offer much less chance for recreation. These facts explain the reasons for the founding of the National Recreation Association and for the increas-

ing local and national interest in this work *Recreation*, the magazine of the association, gives the following summary of community recreation for 1939

Number of cities with play leadership	1,204
Number of separate play areas	21,392
New play areas opened in 1939	1,029

Play areas and special facilities

Outdoor playgrounds	9,749	Horseshoe courts	9,326
Recreation buildings	1,666	Picnic areas	3,511
Indoor centers	4,123	Ice skating areas	2,968
Play streets	298	Shuffleboard	2,299
Archery ranges	455	Ski jumps	116
Athletic fields	875	Softball diamonds	8,995
Baseball diamonds	3,846	Stadiums	244
Bathing beaches	548	Swimming pools	1,181
Camps	264	Tennis courts	11,617
Golf courses	358	Toboggan slides	301
Handball courts	1,983	Wading pools	1,545

Number of employed recreation leaders	41,983
Expenditures for public recreation	$58,217,279

Survey by National Recreation Association. The Association also made, in 1933, an interesting survey of the recreational interests of 5,000 people living in 29 eastern cities These adults of small and moderate income were asked to fill out questionnaires to show the activities in which they had often taken part, those in which they had occasionally taken part, and those in which they would like to take part much more frequently than was possible The activities in which they had often taken part ranked as follows

1. Reading newspapers and magazines
2. Listening to the radio
3. Reading books—fiction
4. Conversation
5. Reading books—non-fiction
6. Auto riding
7. Visiting or entertaining others
8. Attending the movies
9. Swimming
10. Writing letters

It may have been the depression which inclined these people to inexpensive pleasures But it is clear that most of the activities are individual rather than social, and passive rather than active Music, art, drama, sports (other than swimming) are completely neglected

In another place, the report shows that home activities had increased 64 per cent over the previous year, while commercial recreation had decreased 33 per cent.

The activities in which these people would like to engage, but were not able to, ranked as follows

1. Playing tennis
2. Swimming
3. Boating
4. Playing golf
5. Camping
6. Caring for a flower garden
7. Playing a musical instrument
8. Auto riding
9. Attending the legitimate theater
10. Ice skating

As contrasted with the first list, it is noticeable that these activities are outside the home, are relatively expensive, and call for physical exertion

A Suburban Survey. In 1933, George A Lundberg and others made a study of leisure in Westchester County, New York The results of the study were interesting, though perhaps not typical because of the prosperity of the area Two thousand four hundred and sixty persons kept diaries showing time spent in leisure and non-leisure activities during a typical day The average amount of leisure was seven hours a day This is shown in the table below

AVERAGE NUMBER OF HOURS A DAY[1]

	DEVOTED TO NON-LEISURE ACTIVITIES		LEFT FOR LEISURE	
Group	*Men*	*Women*	*Men*	*Women*
Labor	17.2	18.4	6.8	5.6
White collar	16.7	17.4	7.3	6.6
Professional, executive	17.2		6.8	
Housewives		14.7		9.3
College students	17.2		6.8	
High-school students	16.6	16.6	7.4	7.4
Unemployed	14.2	15.7	9.8	8.3
All	16.6	16.8	7.4	7.2

Ninety per cent of the leisure time of these people was spent in the following activities, shown with average times

[1] Reprinted from Lundberg, Komarovsky, and McInerny, *Leisure A Suburban Study*, by permission of Columbia University Press

1	Eating	105 minutes
2	Visiting	90 minutes
3	Reading	57 minutes
4	Public entertainment	42 minutes
5	Active sports	39 minutes
6	Listening to the radio	34 minutes
7	Motoring	15 minutes

Though this was a different kind of survey from that involving the larger number and described above, there are many similarities Contrary to popular opinion, people still spend most of their leisure time at home In the Westchester survey, reading would have ranked higher if students had placed assigned reading in leisure time rather than in non-leisure time The sports rating shown above is higher than in most regions

It is dangerous to draw conclusions from such scanty evidence. However, it would seem to be sound procedure to hesitate before proclaiming that commercial recreation has triumphed in America and that the home has given up its recreational function The opposite seems to be indicated

Types of Recreation

The Cost of Commercialized Recreation At the present time we are spending three and one-half billions of dollars a year on various types of commercialized recreation Each year we pay a billion and one-half dollars to see great numbers of motion pictures For other commercialized spectator events we pay $166,000,000 We spend another $24,000,000 to go to night clubs and cabarets, and our radio costs $525,000,000 a year We pay these great sums of money because we have developed a spectator attitude and because many have never learned the joy of active, personal hobbies

Various Types of Commercialized Recreation Commercialized recreation is found mostly in our large cities Each part of the city has its own special type The central business area has its burlesque theaters, taxi-dance halls, and other cheap form of amusements for its male population In the slum areas and factory districts are found pool halls, saloons, and movies In the apartment house areas one finds the neighborhood movies, cabarets, dance halls, and night clubs On the edge of the community are the amusement parks, the road houses, and the golf courses This is a typical picture of the entertainment spots of any large city

The cabaret was imported from Europe There it was originally a

place to dine, sip wine, and to listen to good music. Johann Strauss, the younger, the composer of many great waltzes, played in one of the great cabarets of Vienna. But the American cabaret did not follow the European pattern. Ours encouraged heavy drinking. Many cabarets carried on unconcealed gambling.

The night club is frequently an extension of the worst elements of the cabaret. In many, open immorality flourishes. In 1929 New York City had 373 night clubs of which only 52 were considered respectable.

Farm Security Administration

This is the first moving picture theater in Pittsburgh, Pa. These "nickelodeons" have grown into one of the most important forms of commercial recreation.

The suburban night club, or "road house," followed the increased use of the automobile. Many of these places were the result of clean-up campaigns in cities. Once wiped out of the city proper, they reappear on the outskirts where there is no control or so little control that it is negligible.

Public dance halls have been greatly improved as recreational centers in the last few years. They are more beautiful, they have better orchestras, and they are more strictly supervised. Dancing is fostered in such halls as a healthful recreation. The conduct at the halls that are strictly supervised is generally of a higher type than one finds at the best country clubs of the nation. An entirely different type of

dance hall that presents a moral problem is the taxi-dance hall, which has recently appeared on the scene in our larger cities These have taken over the evils of the old type dance hall that flourished before cities enforced adequate inspection and supervision

The movies are a national institution in the United States. They represent a capital investment of two billion dollars There are almost 23,000 moving picture theaters in the country and they have a seating capacity of 11,300,000 The average weekly attendance ranges around 77,000,000, of which 28,000,000 are children Eleven million of these children are under thirteen years of age On the average, this would mean that every child in the United States goes to the movies at least once a week

The movies can build attitudes and give ideas to a degree with which no other instrument of education or amusement can compare Observe the actions, the clothes, and mannerisms of a group of people You will find that the movies have had much to do with the molding of their personalities The movies could be a great educational asset, but they are being used only for entertainment and to make profits for the producer

The constructive power of the movies is amply shown in the documentary films that have been produced by the federal government When we see such films as *The Plow that Broke the Plains*, *The River*, and *The City*, we realize the great educational value the movies could have if they were made primarily with a social motive

There have been attempts to censor the commercial films in various ways Municipal, state, and federal censorship laws have been passed because of the pressure of public opinion The Hays Office in California has attempted to establish censorship from within the industry Various organizations have also tried to use public opinion as a force to improve the movies The National Board of Review of Motion Pictures has tried to bring about change in this manner In 1934, the Catholic Church created the Legion of Decency Campaign which had this end in view The National Congress of Parents and Teachers also has been active in this field All these efforts have brought about some reaction in the minds of the public and the producers

On the other hand, censorship has prevented experimentation on better films The censor must always consider the lowest common denominator of movie taste When this is done, films are generally mediocre Progressive or sociological films do not fit into such a program All that is accomplished in the process of censorship is the pro-

duction of films that offend no one By the time this point is reached, the film may have very little artistic, literary, or sociological value

Constructive Recreation. Constructive recreation is that kind which leaves the individual in better health and with a better mental attitude Higher purpose and greater efficiency is the result of participating in such recreation The task of producing this recreation cannot be left to commercialized amusements

Modern urban life brings mental and physical fatigue Every person needs to escape the hurry, noise, and confusion of the city for a few hours a day The wish to be alone is most frequently the wish to take stock of ourselves and our surroundings Withdrawal from the hurry of modern life gives us a chance to measure the significance of what we are doing To feel that our efforts are worthwhile is essential to our inner happiness We wish to determine whether or not our goal is coming nearer realization

Our national parks are a step in this direction They are sanctuaries away from urban civilization Here we find the peace and natural grandeur that makes men realize their true stature in their relation to the universe

The Full Program Whatever the program we plan for the future, it must include the whole life of man It must include his work, his environment, and his play To play well we must work well We must feel significance in the work we are doing This is the basic foundation on which one builds a happy life The greatest pleasure that one can experience is the feeling that in his own environment he is of some importance in building a better world

The essentials of this larger body of environment must include a church, a library, and a place to play These three are absolutely necessary to the growth of the spirit, the mind, and the body

Many of us have had the thought that we do not need religion But we have discovered in the past decade that it is one of the most vital essentials Man has not reached the place where he can formulate a code of ethics or a morality which stands the strain of everyday living He must have an institution in which the higher values of life are stressed and practiced

The library is an essential part of this larger environment of man Here he can find mental stimulation and hours of recreation It is in the library that man can mingle with the great minds of all times He can come in contact with ideas that have lived for centuries In the library he can dig beneath the surface thinking of his own times, and search for the fundamentals that man unfortunately tends to forget

Out of the mental stimulation and recreation that one finds among the great works of all times arises the spiritual values that are so essential today

The third great need for man is the space in which to play Light, air, and space are the three basic requirements for physical growth and well-being Added to this space, there is a need for beauty The

Farm Security Administration, photo by Lee

"Community sings" like this in New Mexico are a type of group recreation from which everyone can get something worthwhile

more beautiful the environment, the greater the effect upon the individual Beauty spots should be open to all people

Active Recreation. There is a difference between exercise as a task, and exercise as enjoyment If we exercise only for the sake of building a healthy body, or for keeping fit we miss much of the fun of recreation To walk only for the sake of moving our legs and arms over a certain measured space is not fun To walk for the pure joy of observing the beauty in nature, or for being out of doors on a good day, gives more real worth to our bodies and our souls

The pleasure of doing a thing increases with the ease and accuracy with which we can do it For this reason our physical education should be the kind that will build techniques in games that we can use for

the balance of our lives Team games that are of a strenuous nature will have to be dropped when we reach a certain age in life Few of us play football or baseball or basketball after we are thirty Thus, it is wise for us to know how to play various individual games or sports where skill is required rather than strength All of us should learn the rudiments of badminton, horseshoes, golf, archery, ice skating, tennis, skiing, and the like

In 1929, 45 million people took their vacations in automobiles. With all the possibilities of the United States as a vacation land, there is no reason for aimlessness unless one just wants to wander There are 23 national parks covering 34,000 square miles of territory There are national shrines of historic significance and real interest There are many ways in which one can plan a trip to suit one's tastes and pleasures One can plan definitely for trips to see the architectural triumphs of the nation, or the battlefields, the museums, the state capitals, college campuses, or interesting people These trips can be the basis of years of memories They can be more extensive than you may think if you plan wisely

Hunting, fishing, and hiking are furnishing recreation for more people each year Many are beginning to realize how invigorating a visit to the woods and lake regions of our nation can be The solitude rebuilds tired nerves, and the exercise rebuilds bodies To be able to paddle a canoe well brings about satisfaction that is lasting Great hiking trails are now being developed for the use of all those who wish to put a pack on their backs and enjoy the fun of walking woodland trails The Appalachian Trail, that starts in Georgia and ends at Mount Katahdin in northern Maine, is one of the most extensive hiking trails in the country For 2,300 miles this trail has been blazed through the mountain and forest regions of eastern United States At 10-mile intervals shelters have been built so that the hiker may find a haven at the end of the day

The Handling of Materials We need to handle earth, wood, and stone When we are working with these various materials we are building character We will receive discipline, self-control, patience, and the power to hold on to an objective steadily We will gain respect for the material with which we are working, and it will teach us to concentrate and to develop skill These qualities give happiness to the individual

Another way of handling materials is organizing them into larger units The housewife finds pleasure in the assembling of her dishes

and her furniture into a harmonious home She is setting up the world in which she wants to live and finds real joy in doing it

Many of us are missing the fun of making things with our hands The only chance to do this may be in our leisure time Dressmaking, millinery, refinishing old furniture, making furniture, making toys, canning, and preserving give pleasure to the doer, and aid in extend-

Photo by Harry Rubenstein

This is a scene from a play produced by the International Ladies Garment Workers' Union as a cultural recreation project It later became one of the most successful reviews on Broadway

ing our incomes All children should be taught a craft, for through it they find countless hours of joy and satisfaction For this reason hobbies give purpose to life for many restless people They find it in the workshop, in amateur radio, in gardening, fishing, antiques, photography, fancy work, or stamp collecting To those who find such an interest, life will never be dull and they will never feel alone

Intellectual and Cultural Types of Recreation The most common form of recreation in the United States is reading Most people read for entertainment, and as a result the newspaper and the magazine are the most common forms of reading matter Eighty per cent of our library circulation is fiction However, serious reading is on the increase Taste for good authors is one of the greatest gifts that education

can give If one has it he will never be lonely or bored It is a taste that requires no wealth It is a satisfying and worthwhile activity

There are other intellectual pursuits that aid the individual in living a fuller and more complete life The community theater gives a chance to the amateur actors to find an avenue for their talents All can appreciate the arts if they cannot participate in them Many can find joy in the art of discussion They will find intellectual stimulation and skill in this practice of one of man's oldest pleasures

In all of these activities we should strive to rise above mediocrity We should use intelligence and judgment in the place of habit The movies we go to should be selected, not attended because we are in the habit of going The books we read mirror the man within The music we listen to likewise tells a great deal about our tastes If we participate in worthwhile activities we will build a finer community and national life We will have a happier and healthier personal life

Unit Summary

There is no place where the spirit of democracy can be fostered as well as in the home Not only are the citizens of the future developed here, but the home itself will be the happier for the presence of this spirit Democracy in the home means the same kind of balance that we find in civil life In this case it is a balance between individualism and loyalty to the family group Every member of the family is a person whose growth and happiness is important And every member is a citizen of the little group who owes aid and comfort to it If fairness and tolerance prevail in the family, if authority is based on reason, and if the greatest good of the whole family is the chief consideration, the best possible foundation for a democratic society has been laid This is in harmony with our best thoughts on women's rights and children's rights—and we must not forget men's rights

The more we consider these ideas, the clearer it becomes that democracy is largely a way of living based upon the virtues of freedom and justice Parents know that children are not born with these virtues Hence the freedom of a democratic home must be a gradually growing liberty that develops hand-in-hand with the sense of responsibility Authority is present in the democratic home as in the democratic state, but it must be an authority founded on fairness

Much has been written about the need for a re-birth of the moral strength of democracy Some of this writing is very confusing But the matter is not so abstract when we think how happy a home would be where the values described in this unit were really practiced

The home is basic to society Its spirit and teachings will dominate society

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest leisure, reality, commercialized recreation, constructive recreation, mental stimulation, handling of materials

INFORMATION, PLEASE!

2 **a** Why does the employed person need leisure? **b.** According to the surveys quoted, what do people like to do for recreation? **c** What is one of the main reasons why people do not participate in what are known as the finer things in life? **d** Why is commercialized recreation so costly? **e** Why isn't the excitement of some spectator events considered to be recreation? **f.** Why does the censorship of movies have both a good effect and a bad effect upon the movies we see? **g** What is the standard upon which we determine whether recreation is constructive or not? **h** Why should we seek solitude at times? **i** Why should we learn to play games that are based on individual skill, rather than specialize in team games?

CAN YOU THINK?

3 **a.** The ideal leisure must be derived from everyday work that is worthwhile What is the meaning of this statement? Explain fully by the use of examples **b** When morals and profits conflict, the profits are considered primary by some of those who sell us our commercialized recreation Explain how such a standard has come about **c.** The whole life of man must be considered in planning any program of recreation Defend the validity of this statement **d** We need to handle earth, wood, and stone Why? How would the following statement aid in explaining the above "He who does not teach his son a trade, teaches him to steal"?

WE LEARN BY DOING

4 **Exhibit.** Have an exhibit of hobbies of the people in the class Have each one who has something on exhibit give a short talk on his or her hobby

5 **Survey** Make a list of the movies you have seen in the last three months Rate each one either excellent, good, fair, or poor Give reasons for the ratings Write a conclusion giving totals of each rating

6 **Interview.** Talk to an outstanding individual in your community who has a hobby Then report to the class your findings Emphasize the worth he finds in his hobby

7 **Essay.** Write an essay based on Harry Overstreet's *Guide to Civilized Loafing*

8 **Talk.** Give a talk on "The Pleasures that Can Be Found in the Library"

WE READ FROM OTHER BOOKS

9 **General Readings** M Elliott, F Merrill, C Wright, *Our Dynamic Society*, chap xxiv, R Gavian, *Society Faces the Future*, chap xvi, R Gavian A Gray, and E Groves, *Our Changing Social Order*, chap ix, H Kidger, *Problems in American Democracy*, chap xiv, J Kinneman, R Browne, and R Ellwood, *The American Citizen*, chap xiv, P Landis and J Landis, *Social Living*, chap xxxii, S Patterson, A Little, and W Burch, *Problems in American Democracy*, chap xxv

10 **The Movies** W J. Perlman, *The Movies on Trial*, M Quigley, *Decency in Motion Pictures*

11 **The Ideal Leisure.** H Overstreet, *A Guide to Civilized Loafing*

12 **Fiction.** J Hilton, *Lost Horizon*

UNIT IV

THE PROTECTION OF THE INTERESTS OF THE CONSUMER IS NECESSARY TO MAINTAIN DEMOCRATIC STANDARDS OF LIVING

****

11. EVERY INDIVIDUAL, AS A CONSUMER, NEEDS THE BEST INFORMATION AVAILABLE

12. BUYING TECHNIQUES ARE ESSENTIAL TO A REASONABLE STANDARD OF LIVING

13. ADVERTISING AND CO-OPERATIVES PRESENT IMPORTANT QUESTIONS FOR THE CONSUMER TO DECIDE

CHAPTER 11

EVERY INDIVIDUAL, AS A CONSUMER, NEEDS THE BEST INFORMATION AVAILABLE

★★

Every person who buys something is a consumer The consumer has rights which the producer is obligated to respect These are the rights to known quality, fair price, and essential information The drive to achieve these rights is the basis for the consumer education movement aided by legislation and ethical business practices

★★

The United States Department of Agriculture

The Department of Agriculture gives more consumer aid than any other federal agency In the first place, it has the function of standardizing names, grades, and measurements of food products The second task of the Department is the administration of the Pure Food, Drug, and Cosmetic Act, the Farm Products Grading Law, the Tea Act, the Import Milk Act, and the Insecticide Act

Standardization The Department of Agriculture has developed standards for many of the food products that appear on our tables It has started the grading of canned goods These grades are "A," "B," "C," and "Ungraded" The first three grades must meet the requirements set up by the Department The fourth grade, "Ungraded," represents wholesome food which is not up to uniform standards of the preceding grades This particular type of standardization has been applied only to farm products such as corn, peas, tomatoes, and beans

The Department of Agriculture has also established grades for milk that is shipped in interstate commerce The highest grade contains the lowest bacterial count and the greatest amount of butter fat In addition to these, local areas frequently set up three grades of their own, varying in degree and also in use They are generally similar to those set up by the Department of Agriculture Grade A is generally accepted as the standard for infants and children Grade B is considered standard for adults, whereas, Grade C is used for cooking and manufacturing These three standards are not universal throughout the nation In cities where the quality of milk is generally high there is a tendency today to have only one grade of milk for human consumption as fluid

All of us are consumers.

Farm Security Administration, photo by Marion Post

milk. Wherever milk is shipped within a single state there is no compulsory grading except regulation placed upon the shipper by state law. However, most large milk producers conform to the standards set up by the Department of Agriculture.

Farm Security Administration, photo by Vachon

A federal butter inspector testing butter in a large creamery.

This department has also developed standards for the grading and the inspection of meat that is shipped in interstate commerce. Meat must bear the purple government stamp which signifies that it is safe for human consumption. But this inspection stamp does not signify the quality of the meat. Toughness and tenderness in meat is determined by a wholly different method of grading. The department has determined well defined grades of this type also: prime, choice, good,

medium These four grades refer only to steer beef Prime steer beef is the very best It is seldom found in local or neighborhood markets The better clubs, restaurants, and hotels use this type of meat The other grades can generally be bought in any butcher shop

Eggs and butter are also graded by the Department of Agriculture The grade and the size of the eggs must appear on the container in which they are sold The container must also be marked with the date of packing Butter that is shipped in interstate commerce must contain at least 80 per cent butter fat U S score 93 is given the highest quality butter In these commodities, as in milk production, there is the tendency for the producers in intrastate commerce to follow the lead of the national standards

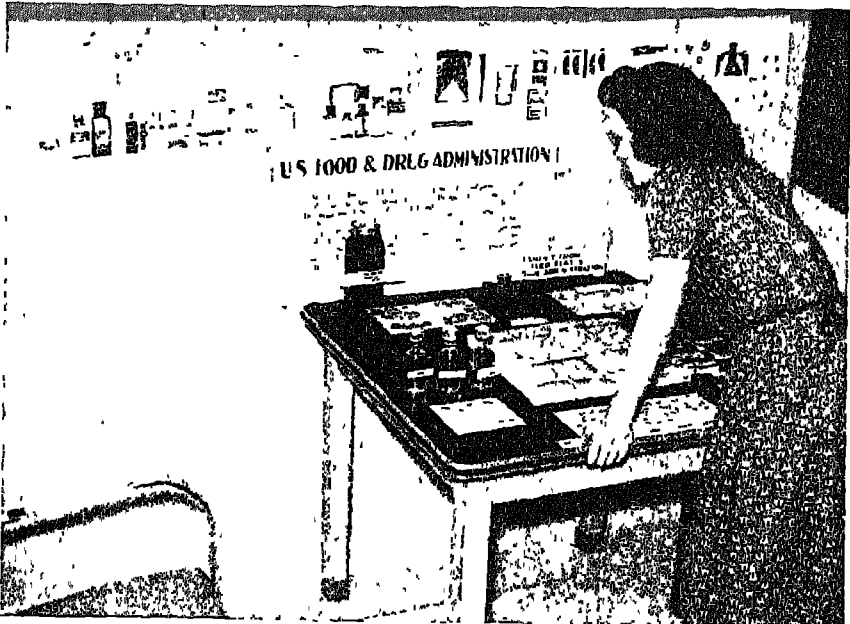
The Bureau of Home Economics and *The Consumers' Guide*. Another division of the Department of Agriculture that is an aid to the consumer is the Bureau of Home Economics Its function is to aid in developing a higher standard of living through education in buying, saving, and managing

Closely connected with the work of the bureau is the publication, *Consumers' Guide* This is a semi-monthly bulletin published by the Agricultural Adjustment Administration, Consumers' Counsel Division It costs 50¢ a year The general make-up of the bulletin is as follows an article on consumer buying, an article on the cost of living, and one on marketing It also carries reviews of books which interest the consumer, research on household efficiency, and news of the nation's co-operatives There is no other publication that has the scope of this bulletin Although the *Consumers' Guide* makes no specific recommendations on what to buy, it does give general information that will aid the individual in developing sound buying techniques for all types of merchandise

The Administration of the Food, Drug, and Cosmetic Act. Another major function of the Department of Agriculture is to administer the new Food, Drug, and Cosmetic Act which became a law June 25, 1938 The first food and drug act was passed in 1906 Since 1906 there has been a continual growth in the food manufacturing industry of the nation Canned foods have become a household necessity The drug industry has moved from the pharmacy to the pharmaceutical supply house or factory Cosmetics and the use of them have increased tremendously In this field, due to the keen competition, there have been many cases of fraud and dishonesty There has been a growing need for legislation to protect the consumer

This need is partially filled by the new law Incorporated in it are

the good parts of the old law, the remedies for the evils of the old law, and the additional provisions needed to protect the consumer from certain bad practices in the new cosmetic and allied industries It does not prohibit the manufacture of goods that are misbranded or adulterated but it does prohibit the shipment of such goods in interstate commerce

1 *Cosmetics Section* The consumer is now protected from unsafe cosmetics. Most cosmetics that contain poisonous drugs are prohibited.

Farm Security Administration, photo by Marion Post

An exhibit to show consumers how to read labels displayed by the United States Food and Drug Administration in a co-op store

This rules out aniline dyes in eyelash beautifiers, thallium acetate in superfluous hair removers, and mercury in freckle lotions and creams There have been too many injuries caused by cosmetics containing these drugs to allow them to be sold Cases of blindness, paralysis, loss of hair, and disfigurement have all been caused by using cosmetics containing these harmful drugs

Hair dye containing poisonous coal-tar dyes has not been banned from interstate commerce However, it must be marked with a "caution" label. This label must read as follows "Caution, This product contains ingredients which may cause skin irritations on certain individuals and a preliminary test according to the accompanying direc-

tions should first be made This product must not be used for dyeing eyelashes or eyebrows, to do so may cause blindness"

The law does not make it compulsory for the producer to list the ingredients of his cosmetics This means that there is no protection to the woman who is allergic to certain chemicals It also means that there is no possibility of price comparison by the comparison of the ingredients

2 *Foods* The second large section of the law deals with foods and has been written to protect the honest producer and the consumer Any food that is detrimental to health is banned from shipment in interstate commerce Poisonous or harmful substances cannot be used unless they are indispensable to the production of the food In such cases, the maximum amount permissible shall be determined by the Department of Agriculture

The amount of poisonous spray residue which is left on the fruit when shipped is also determined by the Department of Agriculture Packages of candy or confections can no longer have inedible substances packed with the candy This is a preventative measure for the protection of children

The law develops "standards of identity" All food products, with the exception of dried fruits and fresh and dried vegetables, will have to meet standards set by the Department of Agriculture before they can be sold under their real names For example, nothing can be sold as "jam" unless it contains specific amounts of sugar and fruit and no other substances Likewise, nothing can be sold as "egg noodles" unless it meets the egg content requirement Artificial flavoring will have to be declared on the label, as well as artificial coloring, except in the cases of butter, cheese, and ice cream The coloring will have to be one that is listed as harmless Thus, the consumer is protected from harmful ingredients in his processed foods He is also protected from unknown contents in compounded foods

3 *Drugs* The third section of the Food, Drug, and Cosmetic law concerns the regulation of drugs and their sale through the channels of interstate commerce Diagnostic drugs come under regulation for the first time One of these is barium meal, which is used in the diagnosis of stomach ailments Another group that has been brought under control are those that affect the structure and function of the body, such as the "slenderizing" preparations These have long needed regulation as they are compounds containing either T N T or Epsom salts In many cases their use has been detrimental to the health of the individual Those that have T N T as a base should never be

used without the advice of a physician. The continual use of Epsom salts will certainly slenderize—and it will also cause injury to the digestive system of the individual.

Various healing devices have been regulated by the law. As a result many worthless ones, such as height increasers and nose straighteners, have been eliminated from sale in interstate commerce. Any drug or device that is dangerous when used as directed is prohibited from sale.

Definite requirements have been made for the labeling of drugs. Each label must have adequate directions for use. Clear warnings must appear on the label if the drug is dangerous to children or if there are certain conditions under which its use would be dangerous. Drugs that have narcotics in them or which have a hypnotic effect must be so labeled. They must have the name of the narcotic drug, the quantity, and the percentage, and the following statement: "Warning—may be habit forming."

Not long ago, a new drug appeared on the market under the name of "elixir of sulfanilamide." This was used to cure some of the more common ailments with a marked degree of success. It was soon considered one of the most important discoveries of the decade. However, shortly after it was introduced, a number of deaths occurred in cases where it had been used. Upon investigation it was found that the mixture in which sulfanilamide was compounded was the cause of the deaths. This mixture had not been thoroughly tested. However, the drug in itself was a great scientific discovery.

To prevent such tragedies, rules for testing have been included in the new law. Drugs must pass an official examination before they are offered for sale. The Secretary of Agriculture must receive a statement of what the drug is, how it is made, how it is labeled, and the results of tests made. After such a notification, there can be no sale of the drug for 60 days. If the Secretary finds that it is unsafe for use or that it has been inadequately tested he may prevent the sale for another 180 days. In this way the consumer is being protected.

4. *Conclusion.* The new Food, Drug, and Cosmetic Act is much more complete than the old law. It gives the consumer more protection than he has ever had before. However, it will give no protection unless you follow this fundamental rule of intelligent buying: Always read the label. Do not be afraid to read the fine print. It is generally more important to you as a buyer than the glaring superlatives in large type.

The new law is not perfect. When the law was drafted lobbyists representing certain manufacturing groups declared that the law was

too strong and would harm producers As a result of their arguments certain important points were not included The pharmaceutical supply house is not required by law to employ trained technicians for the manufacture of prescribed drugs There is no supervision of the food-packing industries except those packing sea foods There is no required declaration of ingredients on cosmetic labels Soaps have not come under regulation The only compulsory grading of canned goods is on those that are sub-standard

Further extension of consumer legislation can only be achieved through active citizenship Producer groups interested in their own welfare have not failed to put pressure on Congress to pass laws favorable to their interests It follows that consumers can and should see that they too are fully represented when Congress drafts laws which affect them Active participation of an intelligent citizenry will bring the greater good for the greater number

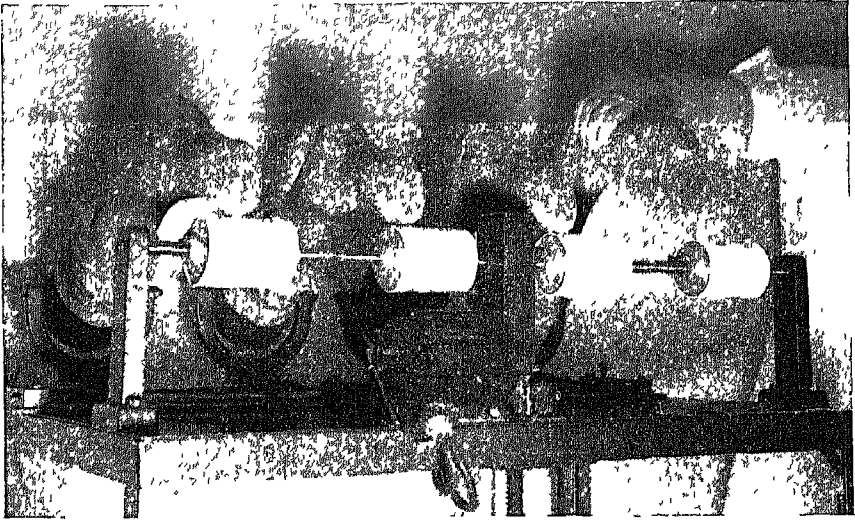
Other Government Aids to the Consumer

The Bureau of Standards of the Department of Interior The greatest consumer in the United States is the federal government No other organization purchases as great an amount of materials nor such diversity of merchandise As a result, the federal government has found it necessary to test materials in order to determine whether or not they will fulfill the requirements for which they will be used This is the task of the Bureau of Standards It also has been assigned other correlated functions At present it makes tests, establishes standards, and controls weights and measures

The testing program of the Bureau is used to determine whether the materials presented for sale meet the government standards The Bureau will also co-operate with the testing laboratories of manufacturers to develop better means of production The government's standards are synonymous with a guarantee of quality The Bureau of Standards issues a label to be used on products that meet its standards As a result the manufacturers who sell to the government are more than willing to have their products tested

The Bureau will not make tests that investigate secret processes, that include inadequately described materials, that can be made in private laboratories, nor where sales promotion is the major purpose

Because of the great amount of testing done by this agency it has greatly aided in the process of simplifying specifications It has brought about uniformity in size, shape, grade, color, and name The size of building brick is the same throughout the country They are graded

in the same manner and have the same color and shape Buff colored No 1 brick in Chicago is identical with buff colored No 1 brick in Los Angeles The same product carries the same name throughout the land Such a practice aids all who are buying, particularly when they are buying building materials, such as cement, bricks, lumber, and structural iron To the individual consumer it means that the task of planning and building a home is much simpler and less wasteful

Consumers' Guide

A machine to test the wearing quality of silk stockings in the United States Bureau of Standards.

The Bureau of Standards also controls the weights and measures of the nation The consumer is protected by its constant watch over the scales and measures used by the merchants This is the most direct service that the Bureau gives the consumer Other than this, the aid that the consumer receives is indirect, because the Bureau's primary function is the protection of the federal government in its numerous purchases In doing this it has promoted the manufacture of products of high quality which can be bought by the consumer

The Federal Trade Commission. The Federal Trade Commission was founded in 1914 for the purpose of preventing unfair competition in business It investigates and inspects the records of business establishments If the evidence points toward unfair competition, the manufacturer is ordered to "cease and desist" The Commission has the right to publish its hearings if the warning is not heeded Fair prac-

tices enforced upon the seller have the tendency to raise the standards of the merchandise purchased by the consumer.

The original purpose of the Federal Trade Commission was to help businessmen remain within the law rather than to punish them. However, in 1938 the work of the Commission was greatly broadened by the enactment of the Wheeler-Lea Act.

The Commission now has powers falling under three headings. It prevents practices that are injurious to the consumer as well as those damaging business competitors. It has been given more power to make its orders effective. It prevents false advertising of foods, drugs, and cosmetics.

It was not until the Raladam case in 1931 that the government realized that the protection of the consumer was as necessary as the protection of the manufacturer. This case concerned the death of a number of individuals caused by the use of a fat-reducing drug known as Raladam. The manufacturers of this product could not be prosecuted under the old law because it could not be proved that competing concerns were suffering loss of sales due to the advertising of Raladam. Because of this case, the consumer now has protection from false advertising. As the Department of Agriculture does not control the advertising of foods, drugs, or cosmetics, the task has been assigned to the Federal Trade Commission in the Wheeler-Lea Act. Under this new law the Commission can go beyond securing injunctions and issuing orders to cease and desist. It can actually take steps to prevent various businesses from using unfair or deceitful methods.

The consumer is no longer exposed to half truths, the omission of material facts, or deliberate falsehood, in advertising. However, he will have to read the label carefully and be able to interpret what is meant by "usual and customary conditions." The law sees to it that the advertising we hear over our radios and see in our periodicals and newspapers can be upheld by fact to some degree. But we must read the labels on the merchandise in the stores where we trade.

Non-Governmental Aids to the Consumer

Agencies Issuing Seals of Approval. There are several agencies that issue seals of approval on articles which they have tested in some manner. The outstanding agency offering this type of protection to the consumer is the American Medical Association. Its testing is supervised by the Council on Pharmacy and Chemistry, the Council on Physical Therapy, and the Committee on Foods. The Council on Pharmacy and Chemistry and the Committee on Foods test patent

medicines, drugs, and package foods to determine whether or not these meet the standards set up by the Association. These products must meet standards that are extremely high and rigid. Condemnation of popular advertised brands has been frequent. The consumer is aware that real testing is being done and that he can depend upon the article that bears the seal of acceptance.

The American Medical Association publishes an annual concerning "New and Non-Official Remedies." This publication informs the medical profession of the new items that appear on the market. They have been tested, analyzed, and evaluated as to worth and claims. The Association also publishes *Hygeia*, a monthly magazine for the layman. It deals primarily with health and health hints. The only advertisers are those that have won the Association's Seal of Approval. The American Medical Association is by far the outstanding non-public testing organization that has a direct effect upon the consumer.

Seals of approval are also granted by popular household magazines. The most common of these are the Good Housekeeping Institute of the *Good Housekeeping* magazine, the Household Research, McCall's Home Economic Service, *Parents' Magazine* Advisory Service, Physical Culture Institute of Nutrition, and the Popular Science Institute. The consumer must accept these seals with a degree of skepticism. In some cases the seal of approval is awarded to any manufacturer who advertises in the magazine. In such cases there is no testing. Where there is testing the standards are very seldom rigid or high. *Good Housekeeping* magazine was notified by the Federal Trade Commission in 1939 to cease and desist from false advertising of the worth of its seal.

Some of these magazines offer worthwhile services. One of the most unique of these is the Advisory Service of the *Parents' Magazine* which has become well known for its excellent recommendations on movies for all age groups.

Organizations that Aid Their Members in Buying. There are two types of organization that supply information or work for consumers. One type of organization, such as Consumers' Research and Consumers' Union, tests products, recommending the best of them to its paid members. The other organizations act as pressure groups working for consumer legislation and education.

The Consumers' Research issues monthly bulletins, naming the various products tested. It classifies these products as recommended, intermediate, and not recommended. These monthly bulletins are compiled into an annual cumulative bulletin which contains the re-

ports of tests for the entire year. As there is direct reference to trade names, the organization must secure from its members a pledge that they will treat the material received in a confidential manner. However, some of the material is published in a monthly trade magazine, *Consumers' Digest*, which gives information on false advertising, sales techniques, and general information on merchandise tested.

The Consumers' Union grew out of labor trouble in the Consumers' Research and is composed of the pro-labor group from Consumers' Research. Organized on a non-profit basis, it gives the consumer information on quality, price, and labor conditions under which goods and services are produced. It carries on practically the same services as Consumers' Research. Additional service includes co-operative buying for its members on a mail-order basis.

Similar to the Consumers' Union and the Consumers' Research, but more local in scope, is the Inter-Mountain Consumers' Service. This organization is sponsored by a group of college professors and has developed in the West with headquarters at Denver, Colorado.

These organizations have aided thousands of consumers by stretching their incomes and helping them to get the most for their money. If their bulletins recommend a specific article for purchase, it means that through their tests they have determined that it is the best article that one can buy.

The second group of organizations aiding the consumer in various ways are the many women's clubs of the nation. They are active in consumer education and legislation because housewives make up the greatest consuming group in America.

The primary purpose of the American Home Economics Association is the education and the protection of the consumer. It publishes and distributes buying information. It has a distinct influence on the young consumer through the 7,000 home economics teachers that make up the majority of its 12,000 members. It also publishes *The Journal of Home Economics*. Among the features of this *Journal* is the evaluation of the guides which most consumers use in buying goods and services. The *Journal* feels its responsibility to the future consumers and spenders of the nation and, as a result, is extremely critical of false advertising. The organization also supports consumer legislation.

The Association of University Women and the National League of Women Voters are the leaders in lobbying for consumer legislation. Through their affiliation and contact with other women's organizations, such as the Women's Joint Congressional Committee,

National Congress of Parents and Teachers, the American Nurses Association, and the General Federation of Women's Clubs, they reach about 5,000,000 women. They are actively engaged in lobbying for legislation that will make government grading of canned goods compulsory. They are partly responsible for the passage of the Food, Drug, and Cosmetic Act and the Wheeler-Lea Act which places government censorship on advertising. These women have taken it upon themselves to be informed about their major task, buying, and they have banded together to get legislation to help them.

Libraries are doing their part toward increasing consumer knowledge in the nation at large. They circulate numerous books that are written in an easy style which deal with the most common practices of consumer deception. The most popular of these books are *100,000,000 Guinea Pigs* by A. Kallet and F. T. Schlink, *Skin Deep* by Mary C. Phillips, *Your Money's Worth* by Stuart Chase, *The Popular Practice of Fraud* by T. S. Harding, *Poisons, Potions, and Profits* by P. Morell, and *Counterfeit* by Arthur Kallet.

Although these books are all based upon factual material, they are written to attract the attention of the reader. The emphasis is emotional, rather than scientific. When reading them we should look between the lines. These books are worthwhile, but, like all works that are written with a single purpose, they should be read with a degree of skepticism.

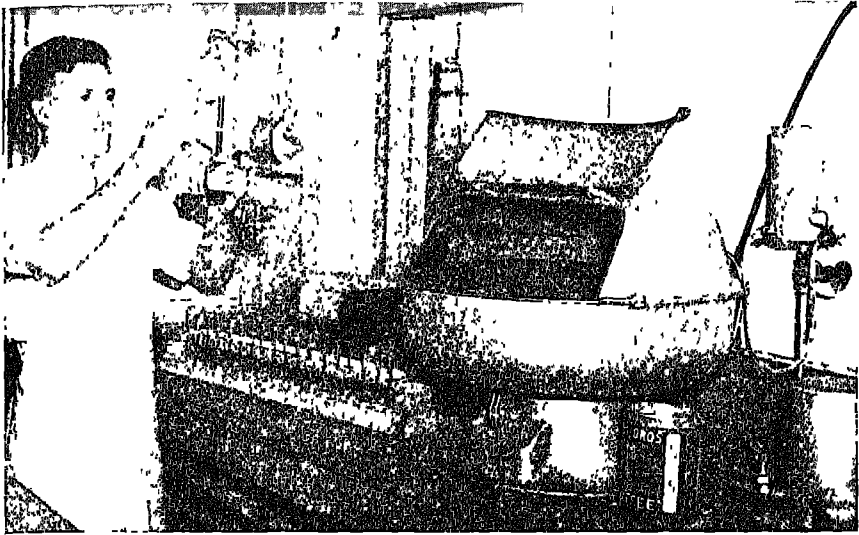
Private Agencies that Aid the Consumer. 1. *The Better Business Bureau.* The purpose of this agency is primarily to protect the business man. The original purpose of the bureaus was to establish high standards of advertising, which would be acceptable to the merchants of that area. There is a Better Business Bureau in practically every large city.

The Better Business Bureau has expanded its activities to aid the general public. This is done by investigating promotional and soliciting schemes that have appeared in large numbers throughout the nation.

One of the outstanding fraudulent practices found in most of our large cities is the "wholesale" furniture racket. These dealers have showrooms where they show furniture marked down 50 per cent from "retail prices." In order to buy at such a bargain, a person must have one of the firm's "courtesy cards." In some cases one buys a membership at the cost of $2.00. The Better Business Bureau found that these establishments were selling exceedingly cheap furniture at prices above the regular retail prices in the retail stores.

Another way of unloading cheap furniture on the unsuspecting

public is by advertising that one is "breaking up housekeeping" or "selling my household furnishings" In reality many of the apartments where such sales have been carried on have been especially stocked with cheap furniture with the hope of catching suckers

Other frauds that have been uncovered by the Better Business Bureau are numerous A few years ago a group of sharpers found some road-building machinery on a job that had been stopped tem-

Farm Security Administration, photo by Vachon

A laboratory technician testing milk to find the butterfat content

porarily They immediately printed stock certificates for a gold mine They showed their prospects the road-building equipment, claiming that it was part of their mining equipment and that all they needed was some cash to begin operating again In a few days they had $135,000 in cash

Just a short while ago suburban residents bought a new kind of grass seed from a man who guaranteed that the grass from this seed would grow only two inches tall, thereby making lawn-mowing unnecessary After getting no results, these suburbanites had their seed tested only to find that it was sawdust

These are only a few of the frauds that are being practiced today Many of them are being uncovered every day Most of them are built on the belief "that there is a sucker born every minute" And we as consumers generally prove this to be true Most of these frauds when uncovered are prosecuted by the Better Business Bureau

2. *The National Board of Fire Underwriters* This agency is a test-

ing laboratory operated on a non-profit basis. Its testing is to determine whether an article is constructed so that it will not be a fire hazard, cause an accident, or be easily stolen. If you notice the tag of this organization on electric cord or electric appliances, you may be assured that it has been fully tested and that it will give satisfactory service without risk of the above hazards. If you find their label on a step ladder, you may be sure that the ladder is well constructed and will not collapse under ordinary use.

3. *Company Laboratories.* These laboratories have been developed in most of the major industries. They are popularized in the advertisements of testing grounds. The manufacturer wants to convince the consumer that the product is not in the experimental stage when it is offered for purchase.

The producers of the nation are primarily interested in selling their products. If the consumer is sold on the idea of replacing these products in a short time by a later model, the profit motive is doubly served. As a result the consumer becomes style conscious when buying many of the products that he uses. The automobile that is three years old is considered outmoded. A new car must be had, hence, the motor car is one of the many items that is manufactured to give service for a limited period of time. Then it begins to deteriorate. The rigid tests of the factory proving grounds do not mean that the car will not wear out, it means that it is safe for a certain amount of miles. Few cars of the popular price class are good for more than 50,000 miles of driving without major repairs. This fact must be kept in mind when weighing the value of factory tested products.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use the following words in relation to the ideas of social living they suggest: standardization, grading, standards of identity, "cease and desist," "usual and customary conditions," seals of approval, frauds, testing grounds.

INFORMATION, PLEASE!

2. a. What are the various services performed by the Department of Agriculture that aid the consumer? b. Why was it necessary to enact the Food, Drug, and Cosmetic Act? c. What are the weak points in the Food, Drug, and Cosmetic Acts? What is the main reason that these weaknesses were

allowed to remain? d Why is it that the services performed by the Bureau of Standards are known as indirect services to the consumer? e How are the services performed by the Federal Trade Commission for the consumer related to those of the Department of Agriculture? f Of what factors must we be aware when evaluating seals of approval? g. What services are obtained from organizations such as the Consumers' Research, the Consumers' Union, and the Inter-Mountain Consumers' Service by the consumer? h. How have the various women's clubs of the nation aided the consumer? i. How have the Better Business Bureaus become a direct aid to the consumer? j Why must we realize that statements of company laboratories and testing grounds are subject to certain limitations?

CAN YOU THINK?

3 a. The federal government aids the consumer both directly and indirectly, through its various agencies Why should such services be the function of the federal government? Explain fully, using examples to prove that this is the case and develop the fundamental reasons why it should or should not be b The consumer cannot expect to improve his lot unless he is willing to help himself Explain why this is basically true, basing your reasons upon the material discussed in this chapter c Some of the most reliable work that is being done to aid the consumer is sponsored by clubs and special consumer organizations What is the motive of these organizations? Take into consideration agencies with varying functions in your discussion

WE LEARN BY DOING

4 **Check List** Make a check list of the various items sold at the grocer's in your neighborhood that bear any evidence of having been inspected or graded by the Department of Agriculture Also list those items that you think should come under government regulation and the reasons why you think so Report to the class

5 **Report** Write to the Bureau of Standards, Washington, D C, asking them to give you information concerning their functions From the material you receive give a detailed report concerning their activities

6 **Talk.** From a member of Consumers' Research or Consumers' Union obtain enough information to give a detailed account of the organization's activity

7 **Review.** Give a comprehensive review of one issue of *Consumers' Digest*, the monthly magazine published by Consumers' Research It can be found on any newsstand

8 **Research** Compile a report on various cases of fraud exposed by the Better Business Bureau This information can be obtained from back numbers of *Reader's Digest*

WE READ FROM OTHER BOOKS

9 **General Readings.** J Gaer, *Consumers All*, chaps ix-x, H Kidger, *Problems of American Democracy*, chap. iii, J Kinneman, R Browne and R Ellwood, *The American Citizen*, chap xi, H Shields, W Wilson, *Business-Economic Problems*, chaps xvii-xviii, A Smith, *Your Personal Economics*, chaps x-xi, D Jacobson, *Our Interest as Consumers*, S B Hamblen and G F Zimmerman, *Wise Spending*

10 **New Legislation to Aid the Consumer.** *Consumers' Guide*, July, 1938, 3-7, "Food, Drug, and Cosmetic Act", *Consumers' Guide*, March 14, 1938, 3-6, "Wheeler-Lea Act"

11 **Pamphlet** *Read Your Labels*, Public Affairs Pamphlet, No 51.

CHAPTER 12

BUYING TECHNIQUES ARE ESSENTIAL TO A REASONABLE STANDARD OF LIVING

★★

Man's ability to stand on his own feet as an individual is evidence of the democratic way of life When people buy wisely, and increase their standards of living through such buying, they are helping themselves by the recognized democratic process of individual initiative "It is smart to be thrifty" It is not only smart, it is essential

★★

How to Buy

Nothing is a bargain, no matter how cheap it is, unless it is needed Utility, not price, is what makes a bargain A bargain is a necessary article bought at a lower price than generally expected We cannot forget that in our present economic system every seller is going to charge as much as he can get As a result, we should know the relationship between quality and price We generally get what we pay for and no more

There are times when we pay high prices for a first-rate article when a second- or third-rate article would suffice If we are going to use a tool only once or twice, it is poor judgment to buy the best rather than a cheaper one A cheap auger will drill the first half dozen holes as well as a good one

Weiss and Mermey, in their book, *The Shopping Guide,* define value as "the price you paid divided by the length of time the article gives you satisfactory service" This is an excellent way in which to determine value of a purchase If one buys a pair of shoes for $10 and wears them for three years with a degree of satisfaction, then monthly cost of that satisfaction is $.277 If a person buys a pair of shoes for $3 00 and they wear satisfactorily for only six months, the cost of satisfaction is 50 cents a month. The first pair of shoes is of more value than the second pair

Trade-Marks and Trade Names. A trade-mark is a distinctive design or name which attracts and holds the attention of the consumer Such

a mark encourages people to ask for the product a second and a third time, especially when it is coupled with a standard of quality. A reputable producer uses this method to gain business and to increase the sale of his product. However, the trade-mark does not necessarily mean that the product is of high standard. The use of these branded products should not become a habit until they have been selected on a basis of comparison.

In the merchandising field, numerous imitations of the genuine article have been placed on the market with names that hide their identity to a large degree. These are known as trade names. For example, rabbit skin is known by 86 different names when made into fur coats. Some of these names are Arctic seal, Baffin seal, Australian seal, Baltic leopard, Bay seal, Beavenette, Chinchillette, Ermaline, Ermette, French Beaver, French Leopard, French Mole, French Seal, Hudson Bay Seal, and Lapin. The furrier has given the domestic sheep 58 names. He has also endowed the goat with 14 names.

This practice has also reached the materials which make up our cloths. Rayon, which is manufactured from wood pulp, has taken the place of silk in many instances. It has such names as artificial silk, acetate, celanese, luminette, lustron, milon-sheen, trico-shan, tricolette, and sharkskin. The purpose of these names was to disguise the identity of the material. However, in the past few years, the development of rayon spinning has reached the point where the fabric no longer has to be disguised.

Many other materials have trade names that completely cover up their identity. This means that the consumer is more or less at the mercy of the producer who is primarily interested in selling his product. The consumer develops "brand loyalty" and thereby becomes a habitual buyer. This decreases the amount of thinking in making a choice, and places the consumer at a distinct disadvantage when it comes to wise buying.

You may ask, when is an article genuine? The article that has no modifier prefixed to its name is genuine. For example, sealskin is genuine. Hudson seal is muskrat. Hudson Bay seal is rabbit. An article that is advertised as genuine mahogany is genuine, whereas Philippine mahogany is not. This at present is the only standard for genuineness. The merchant cannot use the real name of a product alone unless the product is genuine.

When Buying Clothes. Clothing is made primarily for protection. Style is secondary. If we want warm clothing, it must be made of wool. No other material has the insulating qualities of virgin wool. It keeps

us warm, it can also aid in keeping us cool, because it acts as insulation against the outside temperatures. Because of the insulating quality, we use it in blankets as well as clothing. It also absorbs moisture to a great degree and does not wrinkle easily.

Merchandise that is part wool is a gamble, unless you know the exact amount of wool it contains. This should always be discovered before purchasing any article that is marked "part wool."

Pure silk is the strongest material we use in making clothes. It is, therefore, economical in the long run. If you are willing to wear a conservatively styled garment for several seasons, it is good judgment to purchase one of this material. If style is more important than economy, there are many rayon weaves from which to choose. Weighted silk does not wear well, but it is not as expensive as real silk.

Cotton is cheap, washable, and can be obtained in many weaves. It is the most common material for summer clothes. It can be had in any weight or any pattern. It does not wrinkle like linen, nor is it as expensive.

There are only two reasons for buying a fur coat, to be in style, or to keep warm. A cheap fur coat that is made from soft, downy fur of burrowing animals, such as the rabbit or the mole, is a poor investment. A warm durable fur coat is expensive in price. The value of it figured in cost per year of wear can make such a coat an economical purchase. Muskrat, seal-dyed muskrat, and Alaskan seal are furs that are well worth the cost in terms of long wear.[1]

The choice of clothing is a personal matter. However, two factors should be always considered, it should fit the purpose for which it is to be used, and it should be comfortable. The best clothes are generally the cheapest in the long run, and are never extremely styled.

When Buying Foods. 1. *Read the Label.* If you are a wise shopper, the label on package goods aids you in many ways. It definitely states whether or not there has been coloring matter added or if imitations have been used. Imitations may be wholesome and good, but there is no doubt that the quality of the product is below that in which all ingredients are genuine. Imitations are usually used when the manufacturer is attempting to cut the cost of production. You are protected from the use of imitations when you see the common names on the label. Jam, for instance, to be so named must contain at least 45 per cent fruit and 55 per cent sugar.

By reading the label, you can compare weight and price. The present

[1] See Edward Reich and Carlton J. Siegler, *Consumer Goods*, New York: American Book Company, 1937, pp. 169-95.

practice of making containers of odd shapes and sizes makes comparison of size almost impossible Have you ever noticed how large olives look in a bottle? When you take them out, you find that they have shrunk considerably The producer has used the simple rules of magnification in packing his products This illusion helps sell his article You see on the merchant's shelves queer shaped bottles which give the appearance of greater size You will generally find that the contents weigh less than those in the ordinary cylindrical bottle which

Consumers' Guide

The wise consumer looks before she buys

looks much smaller The only sure way of determining the amount in such a container is by reading the label which must tell the weight of the contents

Comparison by weight is the only way one can judge the cost of the same article in different size packages The general rule is the smaller the package, the greater the cost per unit of weight The following example was found in a typical store in March, 1938

COST OF A JAR OF PEANUT BUTTER, MARCH, 1938

a	9 ounce jar	15¢	cost for two pounds	53½¢
b	16 ounce jar	19¢	cost for two pounds	38¢
c	32 ounce jar	29¢	cost for two pounds	29¢

Still, in buying large quantities, it is not wise to buy a larger amount than can be used without waste or spoilage If you throw away half of

what you bought because it is spoiled or because you are tired of it, you have not saved money on the purchase

There are a few other items that should be looked for on every label You should look for facts regarding quality Grades and specifications should always be considered If there should be any certification or seals of approval, they also should be considered Discount superlative statements in favor of specific, descriptive statements

2 *Seasonal and Quantity Buying* There is a correlation between these two aspects of buying When you buy in season, you are buying at the lowest price Therefore, it is at this time that one should buy in quantity Many of our common fruits and vegetables are canned late in August and September Because of this, there is generally a series of sales on canned goods in our stores during the month of October This is the time to buy quantities of canned goods because prices are lower

The purchasing of fresh fruits and vegetables for home use and home canning should follow the harvest season of these goods One can buy them cheaper at that time and have a continual variety on the table

Where and When to Buy

Where to Buy. 1 *Services to Look for in All Stores* The present-day consumer has many types of stores in which to make his purchases They offer certain services he may expect The most common services are

1 A wide range of sizes and qualities from which to choose.
2 Labeling that aids in intelligent selection
3 Convenience that saves time and energy
4 Fair price based on quality and service
5 Credit
6 Delivery
7 Reliability—essential if ordering by telephone.
8 Courteous treatment

2 *The Mail Order House* The mail order house has the lowest price on a wide variety of items, because there is no overhead for sales people and the price quoted does not include the shipping cost The major sales cost is the semi-annual publishing of the catalogue It has the lowest price on most staple articles. But if one is interested in style, he will find that the goods offered by the mail order house are not always as up to date as those in retail stores This is due to quantity

buying that is necessary in order to sell at the low price which is quoted in the catalogue.

3 *The Chain Store.* This type of store depends upon the policy of cash and carry Because of the number of stores, the chain can buy in quantity and sell at lower cash prices The stock in these stores consists of staple goods in popular brands

A definite part of the cost to the consumer is based on the service he gets This cost is added to the price the consumer pays When a

Farm Security Administration, photo by Post

Before the days of large scale distribution of consumer goods, peddlers like this were very common This man peddles groceries in a small town in Vermont.

person expects a great deal of service he pays for it, and, if he does not, he can generally get the same quality of product at a lower price

4 *The Neighborhood Store* The privately-owned small store is fighting a battle for its existence As it buys its merchandise in smaller quantities than the chain store, it must pay a higher price, which necessarily means that it must sell at a higher price Its greatest asset is its convenience of location Added to the higher cost of buying in smaller quantities is the cost of service such as charge accounts and delivery These factors all make the price higher to the consumer. In some cases, in order to compete with the chain store these neighborhood merchants have banded together for the purpose of quantity buying or they have contracted to buy from a single wholesaler which leads to the same thing—lower prices.

5 *The Unit Store* This type of store carries a single line of merchandise such as dresses, hats, or shoes These stores are generally situated in community buying centers where they are conveniently located These stores claim that they have a complete line of merchandise, thereby saving the consumer from going to the main shopping district of the city At the same time, they offer merchandise at a lower price because of lower rent, overhead, and a cash and carry basis of selling If the stock is complete, the consumer may buy at a saving

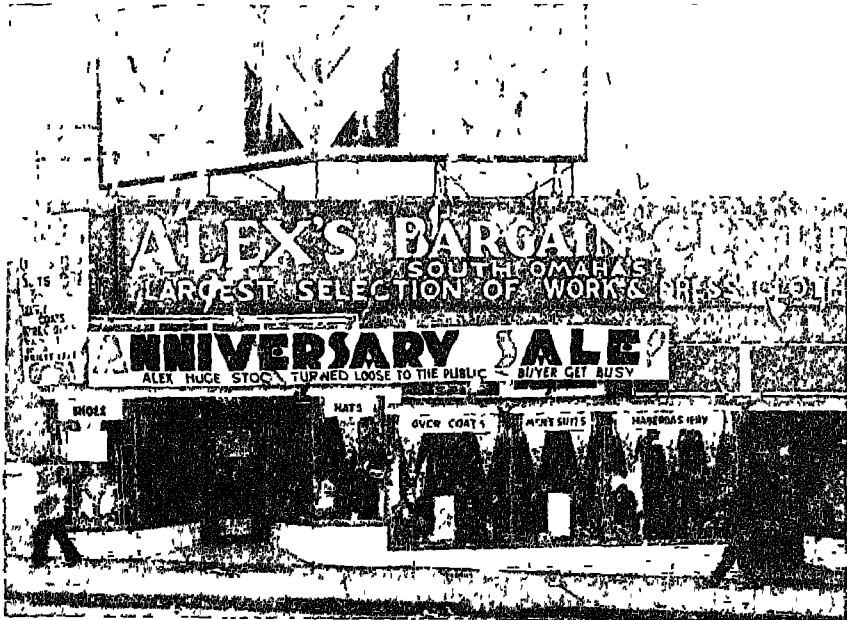
6 *The Exclusive Shop* These shops specialize in selling labels The merchandise in the exclusive shop generally comes from the same manufacturer as the merchandise in the department stores If the shop manufactures its own merchandise, it sells its surplus to the popular stores These stores at times have "exclusive models" They buy all of one model that a manufacturer makes This does not mean that they will not be copied, but only that the particular manufacturer will not supply any other store Items such as fine furnishings that aid in making buying painless must be paid for by the merchant, and the only income that he has is that which he receives from his customers. Hence, all of these "ultra" services are figured into the cost of the garment.

7 *The Installment House* You receive about the same value for your money in an installment house as you do in an exclusive shop Whereas you pay for service in one, you pay for risk in the other Dishonest installment houses are not primarily interested in selling the product and getting paid for it They would rather have the consumer fail in his payments so that they can repossess and sell the article again

8 *The Department Store* Department stores are the most common type of store in large cities These stores must pay large rents or high taxes because of their location in the central business area of the city Besides the real estate, there is added to the overhead items such as clerks, office force, newspaper advertising, charge accounts, and special services, all of which must be paid for, hence they are figured into the cost to the consumer These stores offer variety under one roof and also delivery service It is a distinct service, and we pay for it The charge account customer receives more service than the cash customer The cost of risk in charge accounts must be figured into the cost of all goods, and, as a result, the cash customer is helping to pay for a service that he does not receive

Sales. 1 *Pre-Season Sales* About the first of August the stores begin to advertise the "August fur sale" At this time also one sees advertisements of "August sales of men's overcoats" Merchandise is sold at

reduced prices The pre-season sale of new models means a larger gross sale of merchandise over the entire season As a result, the merchandise sold before the regular season can be sold at a reduction If the consumer is interested in style and quality at a reduced price, these pre-season sales are the ones in which to buy

2 *Post-Season Sales* In this sale which follows the regular season, quality goods can be bought at their lowest price What is left of the

Farm Security Administration, photo by Vachon

Sales are the stock and trade of modern merchandising

quality merchandise at the close of the season is put on sale at a great reduction As the season is nearly closed there is very little selection The consumer who is style conscious should not plan to buy in a post-season sale. If, however, the consumer is primarily interested in quality at low cost, he will find that this is the most opportune time to buy

3 *The Close-Out Sale.* This type of sale includes products of all types and all descriptions These goods may or may not be up to standard quality All are being sold at reduced prices In this sale one must know merchandise or there is the possibility of buying below-standard goods

4 *Special Sales* This sale is the big event of the year Department stores run full-page advertisements telling of the marvelous bargains to be had Generally, the sale in one store leads to a competing sale in

another store on the same day The merchandise for these sales generally falls into two classes it is below standard, bought particularly for the sale, or it is standard merchandise, bought from an over-stocked manufacturer at reduced prices. However, there will be leaders, which are quality goods at reduced prices Since goods are being sold at reduced prices, it is not wise to infer that all goods on sale are of the same quality

Some Rules on Buying The only reason for buying in any store is that it has the ability to give you what you want, when you want it, and at the lowest possible price Each purchase should stand on its own merit

If you return goods, it is more than likely your own fault Either directly or indirectly, you have not examined the merchandise thoroughly You have no legal right to return the goods unless you bought it with that understanding However, merchants generally accept returned merchandise if it is in good condition Nevertheless, you are paying for this privilege, and it is figured into the price of the article

By paying cash you are generally employing the silent partner which makes the budget work In many cases, charge accounts lead to buying beyond one's means Although the charge account customer has the advantage over cash customers in stores that encourage charge customers, this advantage does not offset the disadvantage of overspending

For all people the cash store is the cheapest place in which to buy Here quality goods are usually sold at the lowest prices

Let us summarize into a set of rules the major items that must be kept in mind if we are to buy wisely

1 Buy when you have a definite need
2 Find a product that fits this need
3 Use all sources of buyer information
4 Buy where you know you will get fair treatment, honest weight, and satisfactory service
5. Rely on advertising that appeals only to reason
6 Never buy a second time an article that has been misrepresented.
7. Mere statement of guarantee means nothing—investigate
8. Buy only on the basis of comparison

Credit for the Consumer

The major task of the average family is to get along financially It is very necessary to save for a rainy day, for emergencies such as accidents, sickness, death, or unemployment. However, it is evident that

the problem of saving anything from our incomes is almost impossible for the majority of us. Thus, we meet emergencies by borrowing from some source that is willing to lend.

It is no longer considered a moral deficiency to borrow. Small loans to individuals are an everyday occurrence. The information that follows is for these primary purposes: (1) to show the cost of making loans through various agencies, (2) to show the process of obtaining loans, and (3) to show how to use credit to an advantage.

Kinds of Credit.[1] 1. *Installment Buying.* Installment buying is borrowing on your future earning power. Practically any article wanted or needed by an individual can be purchased under this plan. The average installment dealer of today intends to give the buyer a fair deal.

The consumer should know what kind of credit he is buying. Because of the great variety of terms used in these contracts, there is always a great possibility of confusion and misunderstanding. The consumer should understand certain principles of installment buying. These are as follows:

1. To whom shall you owe the debt? Most installment payments are handled by a finance company. There is going to be a definite charge for this service. Is the company known for its fair dealing?
2. Is the installment contract just? It should be read carefully and be fully understood. One thing the buyer should know is whether the seller can attach the wages of the purchaser. This is definitely stated in the contract.
3. Can the creditor impose fines, charges, or penalties without limit?
4. Is there a fair rebate on charges if paid before they are due?
5. Is there ample notice before repossession?
6. Are the figures correct on the contract?
7. What will the credit cost?

There are always carrying charges on installment accounts. The consumer pays them. "No carrying charges" generally means that all prices quoted are installment prices. A small carrying charge implies that the cash customer pays part of those charges. Others quote a price which is for the installment buyer, while the cash buyer is offered a discount. No matter how it is presented, the carrying charge is there and the buyer always pays it.

Carrying charges can be figured by comparison with cash prices and the application of simple mathematics. First, you must know the actual cost of the article when bought on the installment plan. Then

[1] The charge account, which is one of the most common forms of credit, has already been discussed as part of department store service.

find out what the lowest cash price is for the same article. Subtract the cash price from the installment price and the remainder is the cost of installment buying.

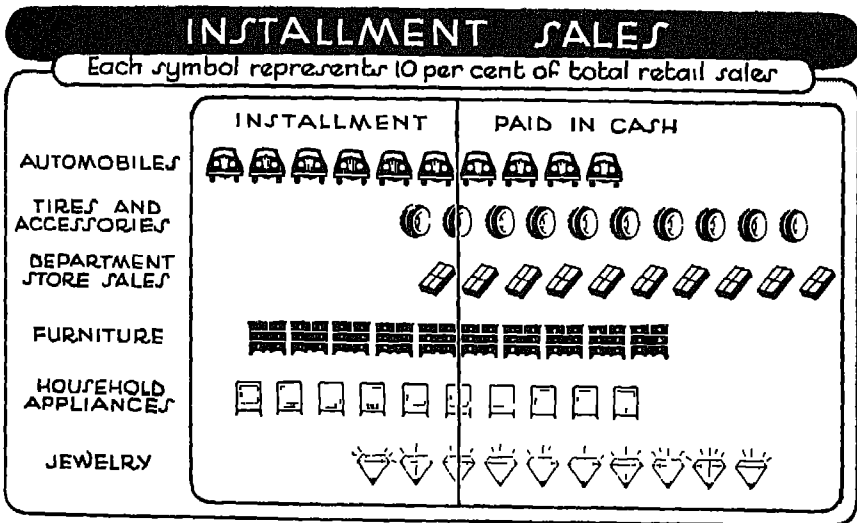
To find the interest rate one must pay for installment buying, divide the carrying charge by one-half of the unpaid balance, the quotient will be the total per cent to be paid over the entire length of the payment period. Here is a simple example of the process:

THE PURCHASE OF A REFRIGERATOR

The installment cost	$180.00
The down payment	10.00
Unpaid balance	170.00
Carrying charge	20.00
Time for payment	two years

APPLICATION OF THE ABOVE PROCESS

One-half the unpaid balance	$85.00	
Divide into carrying charge	20.00	
The result	23.5% for two years	

Sometimes terms are too easy for the good of the consumer. The easier the terms are, which generally means smaller payments over a

longer time, the greater the cost of the article. The increased cost comes from added interest payments. The best and cheapest plan to follow in installment buying is: (1) make the down payment as large as possible, (2) make the length of contract as short as cash on hand

and income will allow, (3) always keep in mind that the smaller the debt, and the shorter the time of payment, the less the possibility of losing the equity

2 *Remedial Loan Association* This type of loan company grants loans based on pledges The remedial loan association will accept any remarketable personal property for collateral The advantages of pledge loans are self-evident There are no promises to pay What actually happens is that the borrower sells the thing he pledges with the right of repurchasing it The borrower is not pursued by collectors There is no danger of having wages attached. In time of financial distress such loans are generally the only credit service available

3 *Loan Banks* These banks grant loans on the promise to pay over a definite period of time Loans are relatively large, ranging from $50 to $10,000 They are secured by the signing of a note by two co-makers The one signer is the loan-maker, the other, who has a high credit rating because of being a property owner or of holding a secure position, guarantees that the loan-maker will repay what he has borrowed If the first signer fails to make his payments promptly or entirely defaults, the guarantor is held responsible, and must repay the loan Only when an individual's credit rating is extremely high does such a bank lend on a single signature

The cost of the loan is 8 per cent or 9 per cent, deductible upon receipt of the loan This rate is figured on the total sum over the entire period of the loan and not on the unpaid balance In reality the interest rates may range as high as 34 per cent per year

4 *Licensed Personal Finance Companies* These companies are licensed by the state in which they operate and must abide by the Federal Small Loan Law According to the law, such companies can make no loans over $300 They lend money on three different types of security promises to pay, chattel mortgages on furnishings, and wage assessments Although these loans may be the most expensive, they can be obtained quickly and easily The interest on these loans ranges from 2 to 3½ per cent per month on the unpaid balance As this interest is on the unpaid balance, the cost of the loan is not so high as some people think For example, 3 per cent on a $100 loan paid in monthly installments is not $36 but rather $19 50 The loan may be paid at any time with interest only for the actual period the money is used

5 *Credit Unions* These unions are co-operative loan enterprises within a particular group of workers, such as teachers or employees of

a factory. There are usually at least 50 members Each member purchases at least one share of stock which serves two purposes, the purchase price is used as the lending capital, the holding of the share of stock gives the member the right to borrow from the union. The cost of such loans is generally 1 per cent per month on the unpaid balance This makes a maximum cost of 12 per cent a year This is one of the lowest cost loans obtainable

6 *Borrowing on Insurance Policies* This is the cheapest way of borrowing money. The loan value of an insurance policy begins to grow in a few years In paying his premiums, the policy-holder builds up his cash reserve, which he can borrow In reality, the individual is borrowing his own money, and the cost is extremely low The interest on such loans is 6 per cent per year, figured on the unpaid balance If the borrower pays back the loan in equal installments during the first year of the loan, the interest charged is actually 3½ per cent Insurance loans are easy to obtain, there is no dunning as long as the yearly interest is paid Thus, it becomes easy to allow them to run year after year, and in this way they become high-priced loans

7 *Savings Banks Loans to the Consumer* In the past few years, various commercial banks and savings banks have offered loans to the individual consumer They have not developed a new type of loan, but are lending money on the well-established Morris Plan To compete with the Morris Plan Banks, they have lowered the cost of loans about 1 per cent The result is a co-signer's loan at 6 per cent plus 1 per cent for insurance, and an automobile loan at 7 per cent plus 1 per cent service charge The consumer cost of these loans is actually 7 and 8 per cent respectively

The cost of these loans is not figured on the unpaid balance, but rather in the same manner as the Morris Plan loan The interest is deducted when the consumer obtains the loan As the payments are generally made over a period of one year in monthly payments, the consumer pays a higher interest rate on each balance as the payments are made The cost of automobile financing is figured in the same way. When one buys a new car on credit, he actually pays about 12 per cent interest on the loan in addition to fire, theft, and collision insurance

The consumer would have a higher standard of living if he did not use so much of his salary for payment of interest on loans and installment buying If the rising generation can be educated to cash buying, they will have much more money with which they may enjoy life

Using Credit to Advantage. Borrowing has been made so easy in the last few years that many people have come to use credit to their disadvantage They think they are in financial need and immediately apply to some source for a loan Or they think they have an absolute need for some large item of merchandise which in reality is a luxury rather than a necessity As they cannot pay cash for it, they buy it on the installment plan or borrow to obtain it The most important question in regard to borrowing should be: Is it absolutely necessary?

If you have savings, it is generally much cheaper to use them than to borrow from any other source You may say that you will never replace the savings, but you are compelled to repay the loan If one can plan to meet regular payments to a loan company or bank, he can also make regular deposits in his savings account at the same rate

Other sources of assets are insurance policies, building and loan association shares, bonds, stocks, jewelry, and other personal property Loan costs depend upon what you have that can be used as security The better the security, the cheaper the loan If you have no tangible security, then the only thing you have to borrow on is your good name or your credit rating This means more risk to the lender and as a result a higher cost to the borrower

The next question is What is the smallest loan that will solve your problem? It is foolish to pay for more credit than you need, but a loan that is too small to solve your problem will put you in a worse financial condition than you were in originally Other questions that may be considered as a corollary to the one above are What service features do you want? Can you reshape your finances and meet the loan payments? Do you want advice primarily? Do you want leniency on payment of the loan? These services can be easily had but they raise the cost of the loan

The following is a table of cost of borrowing from different sources

COST OF BORROWING IN INTEREST RATES

Institution	*Common Charge per year*	*Range per year*
Building & Loan Associations	6%	12%
Insurance Loans	6%	3–6%
Credit Unions	12%	8–18%
Remedial Loans		10–36%
Pawn Shops	36%	24–120%
Personal Finance Co.	36%	30–42%
Illegal Lenders	240%	120–420%
Installment Buying		0–500%

If you cannot get out of debt by borrowing, do not borrow To borrow and not clear your outstanding obligations means that you will be more involved in debt than ever

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest bargain, value, high pressure salesmanship, trade-marks, trade names, brand loyalty, seasonal buying, quantity buying, unit store, post seasonal sales, carrying charges, pledge loans, promises to pay, unpaid balance theory of interest payment

INFORMATION, PLEASE!

2 a When is a bargain a bargain? b What is value? c. Why is it better in some instances to buy a second-rate article rather than a first-rate article? d What is the difference between a trade name and a trade-mark? e Why is "brand loyalty" essential to the manufacturer? f How can an individual determine when a product is genuine? g Why are wool fabrics the outstanding material used in outer clothing? h Why is cotton used to such a large extent for clothing? i. Why do manufacturers sometimes use imitations instead of genuine ingredients in producing food products? j What is the correlation between seasonal and quantity buying? k. Why are mail order houses considered among the best places to buy staple articles in which style is not a factor? l. What are the reasons why a chain store sells at a lower price than the neighborhood store? m Why is the department store considered the most convenient shopping place in a large city? n What factors should one consider before buying on the installment plan?

CAN YOU THINK?

3 a. The best is generally the cheapest in the long run Explain the meaning of this statement from all possible angles b. What services would you demand as essential in the stores in which you would trade? Why? c You receive about the same value for your money in an exclusive shop as in an installment house Explain the meaning of this statement d Borrowing is now geared to the consumer's need Explain what this statement means, giving examples of the various means of borrowing which the consumer has at his command e The cheapest loan can be obtained on insurance, but it also has the possibility of being the most expensive Explain fully

WE LEARN BY DOING

4 **Intelligent Buying.** From three articles of the same class, such as three cars in the same price field, three vacuum cleaners, three refrigerators, three radios, choose one as the best buy after comparison of all three on a check list The sources of information may be owners, salesmen, Consumers' Research, Consumers' Union, *Consumers' Digest,* or manufacturers

5 **Chart** Make a chart showing the correlation between seasonal and quantity buying of fresh vegetables and fresh fruits See Goodman and Moore, *Everyday Economics*

6 **Installment Plan.** Figure the actual cost of buying a large purchase on the installment plan Use actual figures obtained on a shopping tour Use the method described in this chapter

7 **Making a Loan.** Plan the procedure you would use in taking out a loan

- a List your assets
- **b** List your liabilities
- **c.** Decide on the type of loan best suited for your need
- **d** Decide on the size of the loan needed
- **e** Figure the cost of the loan
- **f.** Tell why you picked the particular type of loan

WE READ FROM OTHER BOOKS

8 **General Readings.** Margaret Dana, *Behind the Label,* E Reich and C Seigler, *Consumer Goods How To Know and Use Them,* A Smith, *Your Personal Economics,* chaps iv-vii, E Weiss and M Mermey, *The Shopping Guide,* Patterson, Little, and Burch, *Problems in American Democracy,* chap xiv, Stewart Hamblen and G Frank Zimmerman, *Wise Spending,* Gaer, *Consumers All,* chaps i-iii, v-vi, A B ZuTavern and A E Bullock, *Functional Business Information,* chaps iv vi, J Klein and W Colvin, *Economic Problems of Today,* Unit II, Kennard E Goodman and William L Moore, *Economics in Everyday Life,* chaps v-vii, H G Shields and W H Wilson, *Business-Economic Problems,* chaps xx-xxiii, Dorothy Jacobson, *Our Interests as Consumer*

9 **Consumer Problems.** *Chain Stores—Pro and Con,* Public Affairs Pamphlet, No 40, *The Problem of Food,* Public Affairs Pamphlet, No. 33

10 **Consumer Credit Problems** *Credit For Consumers,* Public Affairs Pamphlet, No 5, *Credit Unions—The People's Bank,* Public Affairs Pamphlet, No 50, *Loan Sharks And Their Victims,* Public Affairs Pamphlet, No 39, *Defense and the Consumer,* Public Affairs Pamphlet, No 51

11 **Popular Books.** S Chase and F Schlink, *Your Money's Worth,* T Harding, *The Popular Practice of Fraud,* A Kallet and F Schlink, *100,000,000 Guinea Pigs,* A Kallet, *Counterfeit,* H Lazo and M Bletz, *Who Gets Your Food Dollar?,* J Matthews and R Shallcross, *Partners in Plunder,* P Morell, *Potions, Poisons, Profits*

CHAPTER 13

ADVERTISING AND CO-OPERATIVES PRESENT IMPORTANT QUESTIONS FOR THE CONSUMER TO ANSWER

★★

Even after sound buying techniques have been developed by the consumer, there remains the problem of interpreting advertising intelligently. Advertising grows out of business competition. In some instances, it has resulted in raising prices, in others, it has reduced them. The co-operative movement is an attempt to extend purchasing power, by making the consumer a partner of producers and distributors.

★★

Advertising

The Process of Making a Choice. The basic problem of buying is that of making a choice. We are confronted with this problem many times a day. With the great number of items from which to choose, advertising makes our choice at once easier and more difficult because of its conflicting influences.

Let us take a particular situation and trace it from the beginning to the end in order to understand the process. Suppose we are walking down a street in the business section of a city about noon. Passing a restaurant, we realize that we are hungry. Where shall we eat? We know of many restaurants in which we could eat, but their prices for a luncheon vary. The first decision that we must make is how much we are willing to spend for this luncheon. This is partially determined by the amount of money that we have with us, or it may be determined by habit. We may have built up the habit of not spending more than 50 cents. If this is true, then the first step in our problem is solved.

The next part of the problem is to decide where we are going to eat. Because we have settled on the amount to be spent, some of the eating places are automatically eliminated. But what of the restaurants that are left in our price range? Do we wish to pay for service, or do we want quantity of food? Are we willing to give up some of the food for entertainment? Again, we must reflect and decide, or fall back on habit.

Having decided where we are going to eat, we now go to the restaurant of our choice. When we arrive there we are again confronted with

the problem of selection. We look at a list of meats, potatoes, vegetables, drinks, desserts. From each group we must chose one. The choice of these various foods may be based on many reasons. Some friend of yours may have told you that the best food served in this restaurant is fish. Or you may have seen advertisements describing the deliciousness of their special dish. Or a waitress may suggest the "special" of the day. All these suggestions add to the difficulty of selection. The easiest way out may be to follow the first impulse that comes into your mind. However, after this long process, you make your choice, your meal is served and you are ready to fulfill your original want, hunger.

The Effect of Advertising on Choice. When advertising enters the picture, making a choice becomes more difficult. The amateur in buying is being subjected to the professional sales pressure of the trained sales forces of the nation. Each producer attempts to convince the buyer that his product is the one to buy and that it is superior to the others in the same field. The citizen of the average American city has a choice of

45 brands of flour
55 brands of catsup
65 brands of ginger ale
65 brands of tires
75 brands of toothpaste
85 brands of cereal
110 brands of coffee
110 brands of washing machines
165 brands of fountain pens

This shows how much of a problem it is to make a selection based upon sound reflection.

To the producer, advertising is a necessary part of our present economic system. It promotes a wider distribution of goods. This insures greater production at a lower cost. The producer has a definite purpose in mind when he advertises. He plans to make an immediate sale of his product. He attempts to educate the consumer to have a higher regard for his product. He tries to persuade the consumer to buy his product rather than some other. The producer attempts to turn a natural desire into an actual want. He is also making an effort to increase the frequency of purchases. Finally, by advertising he would like to see former luxuries demanded as necessities.

The producer is greatly aided by the professional advertiser. The

latter's task is to produce certain types of sales appeal The most common form is known as human interest or emotional appeal Sometimes it is called the short circuit appeal, as it is the fastest method of salesmanship The buyer is not asked to deliberate, consider, or compare Rather he is made to feel that the article will please his senses and satisfy his desires The method urges action without deliberation

The other type of sales appeal is the rational or reason why appeal In comparison to emotional appeal, it is the long circuit appeal It presents the facts in a manner that leads to conscious deliberation It attempts to answer the question of why the product will serve the purpose for which it is offered

These two types of appeal are the sources of information on which decisions are made They are the means of influencing the consumer We are subjected in the following order to appeals on the grounds of health, maternal affection, appetite and taste, attraction of the sexes, economy, comfort, pleasure, luxury, ambition, beauty, appearance, efficiency, safety, vanity, pride, fashion, and sympathy Of this group only health, economy, efficiency, and safety appeal to our reasoning powers The others appeal directly to the emotions From the standpoint of the advertiser the most successful appeal is emotional

Twenty years ago a survey tried to estimate public familiarity with brands and names in 100 commodity fields These examples show how in many cases the well advertised brands were fixed in the public mind

880 out of 1,000 responded with "Eastman" when camera was mentioned,
777 out of 1,000 responded with "Singer" when sewing machine was mentioned,
757 out of 1,000 responded with "Campbell" when soup was mentioned,
436 out of 1,000 responded with "Lifesavers" when 5¢ mints were mentioned,
430 out of 1,000 responded with "Sunkist" when fruit was mentioned,
389 out of 1,000 responded with "Ivory" when soap was mentioned [1]

Branded Goods The advertising business has created "branded goods" The development of these brands has led to standardizing quality in some degree, although the quality is not always the highest. It has also led to emotionalism in advertising Not informed as to what the product contains, the buyer has a tendency to purchase goods on slogans and trade names "Million dollar ideas," such as "halitosis," have been a great aid to the sale of many common things

Branded goods have driven the real names of the products from

[1] Hotchkiss and Franken, *The Leadership of Advertised Brands*, New York Doubleday, Doran & Company, 1923

the market. They have brought into being brand loyalty, which lasts only as long as the product is constantly brought to the attention of the consumer. Whenever there is a let-down in advertising of a particular product, the consumer generally swings to another that has been brought to his attention. The result is that we jump from one brand to another without considering to any degree the relative worth of any of them. Naturally, the advertiser realizes this danger of slowing up in his advertising campaign and attempts to keep it at a constant high level. This costs him millions of dollars which must be figured into the cost of production. The final outcome of such a system is that the price to the consumer is increased to cover the advertising cost. A single example of this is the item of $16 which is included in the purchase price of the car in the low cost field to cover the cost of advertising.

Absurdities in Advertising. Advertisers use a medium which has the greatest amount of appeal to the largest number of people. One example is the use of beautiful women. This is not an indictment of the advertiser, but rather of the buyer. He does not demand facts about the performance, or quality, or ingredients, or actual results. He looks upon beauty as the sole criterion upon which to base his selection. Whether it is soap or automobiles, a new washing machine or rugs, the item that attracts attention is the beautiful woman.

The advertiser has also discovered that superlatives, catchwords, slogans, and headings that have emotional appeal will sell goods. When we open a periodical we see, "the standard of the world," "the most beautiful car in America," "it's the best," "it can't be beat." These are the types of slogans that sell goods in the United States. Many people are fooled because they buy on tradition, they fail to investigate, and they buy because they have been flattered. As a result, advertising is not based on factual material. This condition is the fault of the buyer rather than the merchant.

There is practically no direct falsehood in present-day advertising. Magazines and newspapers are attempting to eliminate fraudulent ads. The Better Business Bureau gives publicity to stores which deliberately misrepresent their wares. In spite of this, there is the need for the consumer to read advertisements critically to obtain information concerning the quality of the product.

The advertiser will use the medium that sells goods, whatever it may be. Rational advertising is being used in those areas where there is a definite consumer consciousness. When people demand facts about

merchandise, the standard of advertising rises But these standards will not rise unless the public demands it

The Task of the Consumer in Regard to Advertising. The first task of the consumer is to learn how to read advertisements He must be able to distinguish between exaggeration and honesty, between meaningless and meaningful statements Many advertisements tell nothing of the quality of the products Have you ever considered what the "ideal dentifrice" is? What is a "perfect watch"? Why would you want anything to be "the most sophisticated"? Why "be nonchalant"? Yet these are the actual statements that are selling merchandise to the average consumer Such statements are not harmful or dishonest But they are not, in any way, telling you the true value of the article

The consumer should seek the answer to definite questions when selecting merchandise He should have behind him the purpose of determining the worth of the article to himself Some of these questions are

1 What does the product contain?
2 Is it harmless?
3 Is it beneficial?
4 How long will it last?
5 How economical is it?
6 Do I need it?
7 How does the price compare with the price of similar products?
8 Are there any statements in the advertising that are evasive or misleading?
9 What proof is there to back up the statements?

The consumer must develop sales resistance He must buy rather than allow himself to be "sold" The reputation of an article should not be the sole reason for buying it He should study the advertisements to ascertain what appeal makes him want to purchase the article He should always examine the article carefully He should take an active interest in buying and if he should come upon unfair practices, he should report them to the Better Business Bureau In this way, the consumer will aid in building better standards of advertising

Co-operation

Rochdale The first experiment in co-operation started in Rochdale, England, in 1844 Rochdale was a mill town in which the workers did not earn enough to buy the necessities of life In this group was a man named Charles Howarth who believed that the workers should

own the machines that produced the goods they used. Twenty-eight people began saving money for this purpose, and by the end of the year they had $140. They knew that they could not buy a factory with this amount, but they decided that it was enough to start a grocery store.

By the end of the year, they had transacted $3500 worth of business, and the membership in the organization had grown to 74. It continued to grow, and in 1852 its members bought a flour mill. A year later they purchased a shoe factory, two years after that they bought a cotton and woolen mill. By 1934, the membership in this co-operative had grown to 44,000 with a working capital of $2,800,000.

The Principles of Co-operation. The people of Rochdale developed a plan of buying at low prices. They purchased through their own agencies and stores, thereby eliminating the profits of retailing. These people soon discovered that if they manufactured the goods they sold, the savings to the consumer would be even greater. The consumer co-operative became the producer co-operative.

Certain rules and principles were evolved through experience. In the end they became the guiding principles of all co-operatives throughout the world. The three basic principles of co-operation are (1) belief in democracy, (2) return of all income above costs to the members in proportion to the amount they buy, (3) a fixed low rate of interest on the investment. The belief in democracy has brought with it the corollary that there should be only one vote to each member, no matter how many shares of stock in the enterprise he may hold. This makes it impossible for one man or a small group of men to get control of the co-operative.

It was soon discovered that by cutting prices, the co-operatives brought about a price war with the regular retailer. To avoid this, it was found necessary to sell at the regular retail prices, thereby accumulating surpluses. These were divided among the members of the co-operative at regular intervals. Sometimes they were returned to the group as social dividends in the form of recreational parks, playgrounds, hospitals, and similar projects.

The fixed rate of interest on the investment is figured at the lowest prevailing rate. It is paid to the shareholders in proportion to the amount they have invested.

There is also a reserve fund which takes care of depreciation, expansion, and education. There is a distinct need for teaching people the method of the co-operative and its meaning to them. Members must firmly believe in the idea of mutual aid. Because it is often diffi-

cult to convince people that this principle is workable, the co-operatives find it necessary to spend money on education

In addition to these three basic principles, there are other rules that are practiced by most co-operatives (1) all buying is on a cash basis, (2) fairness to employees is essential, (3) the co-operatives have found it to their advantage to co-operate with each other By so doing they can buy in larger volume and thereby sell at lower prices Also they share expert advice at a smaller cost to all And finally, they can get greater results from their educational policies by working together

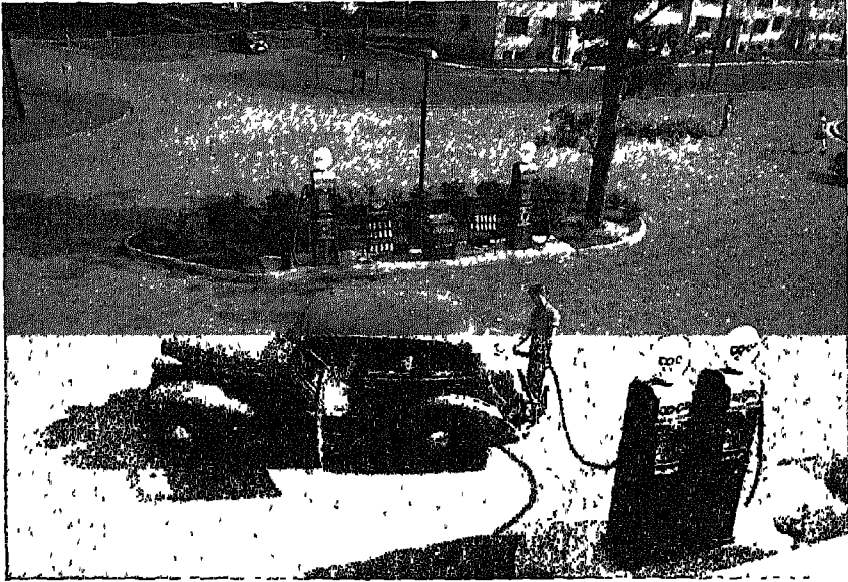
All of these rules and principles are pointed toward one central purpose, that those who are going to use that which is being sold or produced should own the store or factory and decide how the business is to be operated

Types of Co-operation. 1 *The Purchasing Co-operative* This co-operative is composed of a group who pool their purchasing power to buy any and all kinds of services and supplies The consumer receives the advantage of quantity buying If the volume of buying is large enough, a wholesale warehouse handles it for the purchasing units The next step is to produce the goods in a co-operative-owned factory

2 *The Marketing Co-operative* This type of co-operative is created by separate producers who pool their produce to secure better prices for their wares Thus, the producer has been able to provide the service performed by the middleman at cost He has eliminated one of the profits that must be paid in the line of distribution, thereby increasing his own revenue In the United States, these co-operatives have been established in the dairy, eggs, fruit, cotton, wool, and hay industries

3 *The Producers' Co-operative* This group pools its labor into one large enterprise, thereby producing together and sharing the common income. It is thus one step beyond the marketing co-operative There are very few co-operatives of this type in the United States The outstanding example is the Delta Co-operative Farm in Mississippi which was founded by Sherwood Eddy Here are 30 share-cropper families working a 2,000 acre farm on a co-operative basis The profit from this enterprise for the first year was $9,500, or approximately $320 for each family This may seem a small amount of cash, but to the Mississippi share-cropper it is not To many of these families, in fact, it was the largest amount that they have ever received for a year of labor

4 *The Financing Co-operative.* This co-operative is known as the credit union It is usually established for those in the low-income group by members of the group itself, generally, by pooling their savings It gives the members low-cost consumer loans

These various types of co-operatives are the outgrowth of the particular needs of a particular community Consumer co-operatives have developed in England, marketing co-operatives in Denmark, wholesale

Farm Security Administration, photo by Marion Post-Wolcott

A co-operative gasoline station Within recent years retail co-operatives have grown very rapidly in the United States

co-operatives in Sweden, and a steadily growing number of consumer and marketing co-operatives in the United States

Outstanding Co-operatives in Europe. 1 *British Isles* Today, 15 per cent of the population of England are members of co-operatives This represents about 45 per cent of the families These co-operatives control one-twelfth of the retail trade In 1860, there were 8 co-operative factories in England, in 1935, there were 139 Their bank is the fourth largest in Great Britain, having 34,000 accounts in 1935 The co-operatives also own shipping lines and buy in all the markets of the world

The Scottish Wholesale Co-operative is the greatest distributor of produce in Scotland It controls 35,000 acres of tea plantations in India and Ceylon, the largest single tea industry in the world This

organization is also the largest importer of grains, butter, sugar, and dried fruits in Great Britain

The British co-operative is primarily of the consumer type It is an important part of the retailing business of the British Isles Through its various branches an individual can purchase almost everything he needs He can buy a house through the co-operative He can have it completely furnished and equipped in the same manner He can buy his fuel for heating from a fuel co-operative Clothing can be purchased in 50 co-operative clothing stores and 200 co-operative meat and food stores can supply one with all the necessities of life Even spectacles, tobacco, permanent waves, dry cleaning, shoe repairing, and tickets for the theater can all be purchased through these co-operative organizations. During the depression years, 1929-1934, British co-operatives returned to their members more than $6,000,000 in profit dividends

2 *Marketing Co-operatives in Denmark.* Prior to the German invasion in 1940, 97 per cent of the farmers of Denmark owned their own land, although in 1850 Denmark had been a nation of tenant farmers This change had been largely brought about by Bishop Grundtvig Through the Danish Folk High School, he developed a nationalism of language, ideals, and literature This was a very different kind of nationalism from one preaching war and aggression There were 75 of these schools in which one-third of the population had courses in regular sessions, in evening sessions, or in the continuation classes These schools furnished the groundwork for the political and economic democracy which, up to 1940, was dominated by the peasants and the workers of Denmark

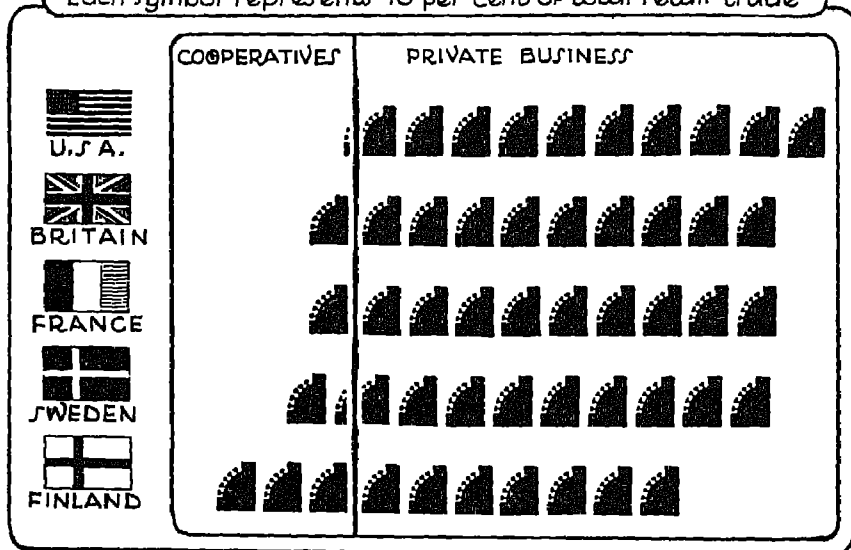
The practical results of this educational and intellectual program were seen in the economic and financial policies of the nation Farmers were granted government loans, they received transportation and communication at cost, and were made secure through social legislation The co-operative movement supplemented these activities, thereby enabling the farmer to make an adequate living

The evidence of co-operation in Denmark was seen in the crop marketing figures In 1882, the first dairy co-operatives were formed In 1940, there were 1,400 such co-operatives in which 192,000 out of a possible 206,000 men controlled 90 per cent of the dairy produce The poultry co-operative controlled 25 per cent of the poultry business The seed industry was 40 per cent co-operative, the butter industry was 48 per cent, flour and grain 68 per cent, packing plants 70 per cent,

the pig-raising industry was 75 per cent, and cow-breeding was 85 per cent co-operative

A good share of the effort of these co-operatives was spent in fostering scientific crop production Seed-growing associations produced better strains of seeds Another group worked to improve livestock. Credit associations aided the farmer Purchasing co-operatives were also developing in Denmark

The Danes had made a success of living by co-operating with each other They had learned from their leader that they could have a better life by helping one another And all this had been done within the framework of a constitutional monarchy

3 *Consumer Co-operatives in Sweden* The co-operative movement in Sweden is centered in the Kooperative Forbundet (Co-operative

Union), which is generally called the "K F." This organization was founded in 1899 and has continually fought the various monopolies in Sweden As these monopolies controlled manufacturing as well as prices, it was necessary for the "K F." to plan on production from the very start

The oleomargarine monopoly refused to sell to the "K F" The "K F" started to produce their own oleomargarine This action started a price war which eventually broke the monopoly or "cartel" From this time on the fair price was based upon the cost of production The

"K F" successfully fought the sugar, chocolate, soap, flour, and galoshes monopolies [1]

It soon became evident that there was need to have an international co-operative to fight the international monopolies As a result, the Scandinavian Co-operative Wholesale was formed to fight the International General Electric Company which controlled prices and profits on electric lights Through this control, the price of a 25 watt electric light bulb in Sweden was kept at $ 37, in Holland and Germany it was $ 30, in Denmark it was $ 27, in Hungary it was $ 18, and in England it was $ 52 When the co-operative organized the North Europe Luma Cooperative, General Electric lowered the price to a flat rate of $ 27 Luma sold theirs at $ 22 The General Electric Company finally had to meet this price

There are co-operatives in every part of the world today In Jugoslavia there was a health co-operative In Japan, the Christian Co-operative Movement of Kagawa attracted world-wide attention There is the work of Father Tomkins, a Catholic priest, who, through co-operation, has rebuilt the fishing village of Dover, Nova Scotia In all cases, it fits into the frame of government that is already established, no matter what it is, provided that it recognizes the rights and duties of free men Co-operation is not a revolutionary measure, it is the normal democratic evolution of present-day economic systems

THE CO-OPERATIVE IN THE UNITED STATES

Farmer Co-operation. The first successful co-operatives in the United States were farm co-operatives In 1867, the Grange started consumer and marketing co-operatives The movement was part of the fight for better freight rates which brought about the establishment of the Interstate Commerce Commission By 1874, there were 26 State Grange Agencies which were acting as co-operatives They built their own cheese factories and creameries

The farmers learned that if they pooled their produce for shipment they could ship by freight and save money They also discovered that if they pooled their buying, they could buy in bulk and save money This was true especially when buying feeds, seeds, and fertilizers

Another co-operative among the farmers was the Farmers' Alliance of 1880, which was succeeded by the Farmers' Union in 1902 This co-operative was strongest in Kansas and Nebraska. Swedish and Finnish immigrants brought with them the principles of co-operation.

[1] Ryllis Alexander Goslin, *Cooperatives*, Headline Booklet, Foreign Policy Association, 1938

They were among the founders of the largest co-operative wholesale in the United States, the Central Co-operative Wholesale of Superior, Wisconsin. This co-operative has 130 member groups in Wisconsin, Minnesota, and Northern Michigan. In 1935, it did $2,830,000 worth of business.

All farmers' co-operatives are not in the West. The Eastern States Farmers' Exchange, a purchasing co-operative, has its headquarters in Springfield, Massachusetts. It owns seed testing grounds in Maine and Florida, fertilizer plants in Cambridge, Massachusetts, and Wilmington, Delaware, and a feed plant in Buffalo, New York. In 1937, it had 82,500 patrons and did a business amounting to $20,000,000.

The Eastern States Farmers' Exchange has led the way in patron ownership and quality goods. It is different from other co-operatives in that it has no shares of stock which were sold to obtain initial capital. The first capital was borrowed at a fair rate of interest and was used to buy goods in bulk. These were sold at retail prices and savings began to accumulate. Since 1926, two-thirds of these savings have been returned to the patrons. By 1936, four million dollars had been accumulated as capital.

This co-operative has developed seed potatoes that yield more crops than any of the "certified" seed of private merchants. Its fertilizers have the maximum soil building and plant nutrient qualities with one-half the usual bulk. The feeds that it processes are known as "Open-Formula" products. The formula and the proportion of the ingredients are printed on the sack. In these ways, the Eastern States Farmers' Exchange sells quality as measured by value in use.

Farm co-operatives as a whole totaled $309,000,000 worth of business in 1936, $48,000,000 of it being in oil and gasoline. Of this $48,000,000, $4,000,000 was returned to the members as their purchase dividends for the preceding year.

The federal government agricultural services aided this movement by establishing the American Farm Bureau Federation in 1919. This organization reaches the farmer through state organizations and the county agents. It has the purpose of educating the farmer to buy and sell wisely.

Co-operatives in the City. There have been consumer co-operatives in the cities of the United States for a long time. But it was not until the depression that they became widespread. In 1936, co-operatives were serving 2,000,000 families in the United States. The services rendered by these consumer co-operatives are many. The gasoline and oil co-operatives extend throughout the nation. They have expanded

into wholesale organizations and in many cases they have established their own oil blending plants. They have also branched out to include tires, accessories, batteries, and greases. The grocery co-operatives are the second largest group. They have become strong retail and wholesale organizations. They are competing with the chain store and setting up new standards based on their own specifications. The insurance co-operatives are growing steadily, the largest of these is now comparable to some of the private companies in size. Other services on a co-operative basis are hospitalization and medical care.

Co-operation in the Colleges. The co-operative idea in colleges was started in the Agricultural and Mechanical College of Texas in 1932 by Donald Russell, a professor of rural sociology. He gave the idea to twelve boys who were having financial difficulties. These boys took over a run-down house. They repaired it with materials that were furnished by the landlord. They then hired a cook for a small monthly sum. The boys did all the housekeeping, including the preparation of the vegetables and the dishwashing. All costs were borne equally. Some paid in produce from their father's farms. Their living costs were cut considerably.

In 1933, the idea expanded to include 10 units with a total of 130 students. In 1934, there were 20 units housing 250 students. Now there are over 1,000 students in this school housed in co-operative units. The idea was borrowed by the University of Texas and in 1938 there were 300 boys and girls living in co-operative houses and saving $25,000 a year on living expenses.

In 1933, a group of 37 boys in the University of Washington pledged $10 apiece to start a co-operative house. They used this fund of $370 for repairs and equipment. Their board and room cost them $16 a month. By 1938, they had acquired $20,000 worth of equipment and their business amounted to $100,000.

At Washington the Co-op Dance has become the social event of the year. Outdoor sports are handled in a co-operative manner. Equipment is sold or rented through the co-operatives. They plan skiing weekends, they build tennis courts. Now they are building their own lodge in the mountains for winter sports and hiking. When a play comes to town, they buy out the entire house for an evening, thereby getting the seats at a lower price.

The co-operative movement has spread throughout the nation's colleges. Today, it can be found in some form in over 150 schools. The University of California has a housing co-operative. There, 510 students are running four houses, one, a large apartment house. Room

and board costs these students $18 a month The University of Minnesota has a co-operative cafeteria which the students took over when the university failed to make it pay Today, about 100,000 students are participating in co-operative enterprises throughout the United States They are learning about economic democracy through practice.

UNIT SUMMARY

The movement to educate consumers and protect their interests is one which has an important bearing on democracy, since it not only aids in raising standards of living but tends to build up the self-reliance of the individual Any person who wishes to can now learn a great deal about the goods he buys from governmental or private agencies Scores of sources are open for him If he plans to spend less than he earns, it is within his power to better his economic position This planning takes effort in deciding where to buy, how to buy, and how to use credit to the best advantage It takes effort to analyze advertising and to find where values really are The effort, however, is wholly worthwhile

The co-operative movement gives security to a great number of people through increased purchasing power It seems to many to be an extension of economic democracy. As Seabrook, in *These Foreigners*, says

"The answer to why the consumer cooperatives, which were a new thing, have done so well in democratic America, is not only simple but reassuring The consumers' co-operative is within the accepted normal economic order It is not in conflict with and it does not disrupt it Communism and Marxian Socialism, on the contrary, do conflict with it and when possible disrupt it Communism is definitely revolution in social economics. The consumers co-op is a form of evolution which can build itself into, and operate as a healthy part of, the system on which American democratic independence was founded, for which most Americans still stand "[1]

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest want, selection, professional sales pressure, human interest appeal, reason why appeal, branded goods, slogans, sales resistance, profit dividends, price war, marketing co-operative, producer's co-operative

[1] William Seabrook *These Foreigners*, New York Harcourt Brace & Company

INFORMATION, PLEASE!

2 **a.** What is meant by the statement that the buyer is generally an amateur? **b.** Why is making a choice more of a problem because of advertising? How does advertising help in making a choice? **c** Why does the producer advertise? **d.** Why is the emotional appeal the most common form of appeal in advertising? What are the various types of emotional appeal? **e** Why is the rational appeal known as the long-circuit appeal? **f** What is a slogan or a superlative statement and why does the advertiser use them? **g** What is meant by a "million dollar idea"? **h.** What was the aim of the people of Rochdale in starting a co-operative? **i** What are the various types of co-operation? **j** Why was the Danish Folk High School so important as a factor in developing co-operatives in Denmark? **k** What types of co-operatives have developed in the United States and what are the reasons for such development?

CAN YOU THINK?

3 **a.** The consumer must learn how to read advertisements What are the implications of this statement? **b.** The consumer must buy rather than be sold Explain the meaning of the above statement **c** On page 202 are listed the basic rules of co-operation Explain why these rules are necessary for the foundation of co-operatives, especially when you consider the aim of co-operation **d** The type of co-operation depends on the particular needs of the group if it is to be successful Explain the meaning of this statement through the use of examples **e** Once the co-operative begins to produce the goods or services it sells, there is no private industry that can compete with it Is this statement true? **f.** Why is co-operation a natural development toward economic democracy rather than the attempt to impose a new or foreign system upon the nation?

WE LEARN BY DOING

4 **Evaluation.** Collect 12 advertisements from current magazines and newspapers To each attach a slip of paper with the following information **a.** The type of advertising (whether emotional or rational), **b.** The basis for your judgment

5 **Debate.** Resolved· That advertising cannot be considered social waste, as it lowers the cost of the article to the consumer

6. **Survey.** From any monthly magazine tabulate the number of advertisements that are mostly emotional and compare this figure to the number considered to be rational in their appeal

7 **Interview** Interview a member of any type of co-operative and from

your findings give a report entitled, "The Economic Worth of the Co-op to the Individual"

8 **Talk.** Prepare a talk on "College Co-operatives" Show how the student with small financial reserves is helped to obtain higher education through these co-ops

9 **Essay.** Write an essay on "The History of Farmer Co-operation in the United States" Include the reasons for such movements

WE READ FROM OTHER BOOKS

10. **General Readings** J Gaer, *Consumers All,* chap III, R Goslin, *Co-operatives,* Headline Book, K Gould, *Windows on the World,* chap XIV, H Kidger, *Problems of American Democracy,* chap IV; H Patterson, A Little, and H Burch, *Problems in American Democracy,* chap XVI, D Jacobson, *Our Interests as Consumers*

11 **Pamphlets** *Cooperatives in the United States,* Public Affairs Pamphlet, No 32

12 **Advertising** H Hill and R Tugwell, *Our Economic System and Its Problems,* chaps XXIII-XXIV, H Shields and W Wilson, *Business-Economic Problems,* chap XIX, A Smith, *Your Personal Economics,* chap IX, A ZuTavern and A Bullock, *Functional Business Information,* chap XXI

13 **Consumer Co-ops** H Bunn and E Falk, *Cooperative Life and Business,* M Childs, *Sweden, The Middle Way,* B Fowler, *Consumer Co-operatives in America,* I Johnson and J Garland, *Consumers' Cooperatives,* H Randall and C Daggett, *Consumers' Cooperative Adventures*

14 **Marketing Co-ops** D Blankertz, *Marketing Cooperatives,* F Howe, *Denmark The Cooperative Way*

15 **Cost of Distribution** *59¢ of Your $1 00—The Cost of Distribution,* Public Affairs Pamphlet, No 44

16 **Philosophy of Consumption.** H. Kallen, *Decline and Rise of the Consumer*

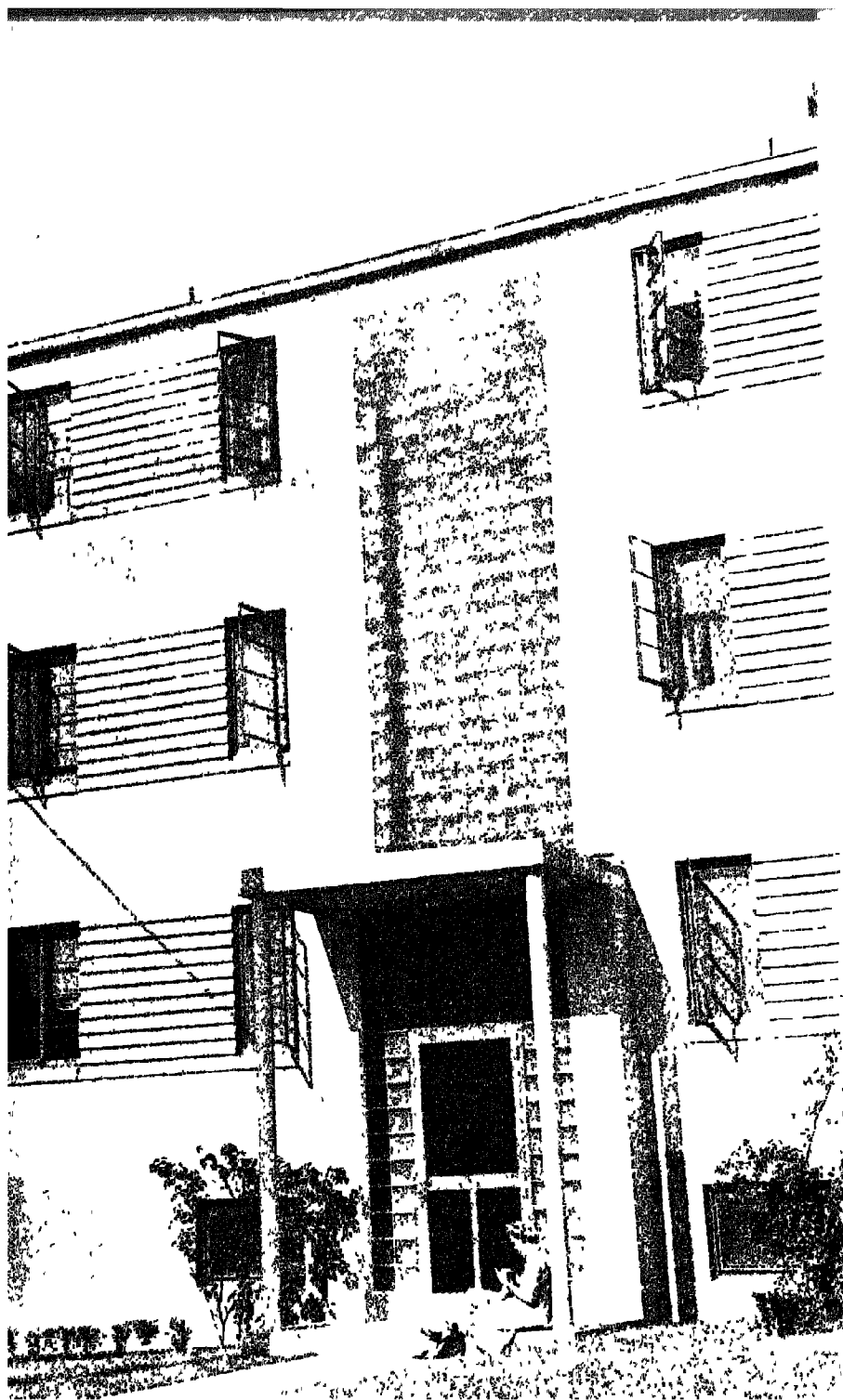
UNIT V

THE DEMOCRATIC FAMILY MUST HAVE ADEQUATE SHELTER

****

14. HOUSING IS A PROBLEM FOR SOCIETY AS WELL AS FOR THE INDIVIDUAL FAMILY

15. THE HOUSING PROBLEM IS BEING ATTACKED ON MANY FRONTS

CHAPTER 14

HOUSING IS A PROBLEM FOR SOCIETY AS WELL AS FOR THE INDIVIDUAL FAMILY

★★★

The home, as the basic unit in society, is not only a social force but a place It is difficult for a happy home life to grow where the physical surroundings are bad Like many other family problems, the housing problem is basically economic and unlike some family economic problems, this is one that intimately affects the whole community

★★★

Housing as a Social Need

What Is Our Housing Problem? America is a land of contrasts The housing standard of a great part of our people is above that of any country in the world In all forms of household appliances, this country leads the world Yet in 1937, the United States Senate Committee on Education and Labor reported that even before the depression over 10,000,000 people lived in houses that did not adequately protect their health and safety And at least one-tenth of these houses were dangerous and unsafe

Surveys have since been made and statistics are available for 204 localities, covering more than 8,000,000 households Listed are some of the important findings

Structural conditions About 1,100,000 homes had such serious structural defects that they were unsafe or absolutely unfit for use

Sanitary facilities About 1,660,000 homes, or one-fifth of the total, had no private bathing facilities, 1,221,000 were without private indoor water closets

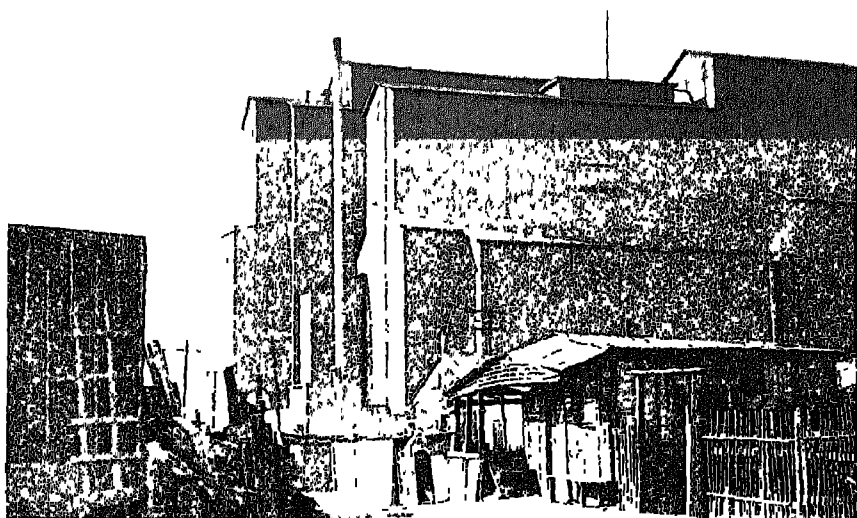
Privacy and overcrowding About 850,000 families were "doubled up"—that is, shared their homes with other families Over 1,300,000 homes were "crowded"—that is, had more than one person per room

Some of these homes have no running water, nor the means to heat it, many had no central heating plants Often the family of parents and children live crowded into several rooms which afford little privacy Sleeping rooms often lack sunlight or cross-ventilation Some of the houses have no adequate means to dispose of garbage and refuse Others are unsafe firetraps with leaky roofs and rickety stairways.

A multiple housing unit in Greenbelt, Maryland

Farm Security Administration, photo by Post

Statistics show that people who live in such conditions have the highest rate of infant mortality, rickets, tuberculosis, and other communicable diseases The death rate in this group is higher than that of any other part of the population Much of our crime and juvenile delinquency can be traced to these infected areas

Students of housing have agreed that homes and neighborhoods in which many American families live are so bad that they injure the

Farm Security Administration, photo by Rothstein

One of the challenges of our industrial society is the fact that slum conditions like this have grown up around the large factory centers.

health, endanger morals, and interfere with the normal family life of their inhabitants In other words, poor housing in many parts of America is corroding the foundations of our democracy

How Blighted Areas Become Slums A respectable residential district seems to be good for about 30 years Then its inhabitants move into newly created suburbs of the city, where there is light and air, and living conditions are not so crowded Modern transportation methods have been partly responsible for these migrations Automobiles and good roads enable people to commute quickly from home to office and factory

The character of the old community changes rapidly Homes which were once occupied by single families now become rooming and boarding houses As zoning restrictions expire, stores, shops, gasoline stations, and "funeral homes" appear in the neighborhood Property

values decline, and these old houses become less desirable for residential purposes. As the character of the neighborhood changes and the property values sink it becomes a "blighted" area, which is often the first stage in slum development.

A "slum"[1] has been described as a residential area where the houses and conditions of life are of a squalid and wretched character, and

Farm Security Administration, photo by Mydans

One of the greatest problems of slum conditions is that they breed ill health and a warped outlook on democratic society

which thus becomes a social liability to the community Slum conditions, however, are made up of a number of elements, which must be regarded as a "total situation," arising from a number of causes Here are some of these factors

1 Exploitation of the land by speculators Before zoning laws became common, the land was used for profits rather than for the health, safety, morality, or general welfare of people The result meant narrow lots and crowded houses with little provision for air and sunlight
2. The uneconomic use of the land does not produce a fair return on the investment.

[1] See the President's Conference on Home Building and Home Ownership, Vol III, p 1

3. The land is overcrowded with buildings that cannot be modernized.
4. Encroachment of industry and trade within residential districts brings noise, dirt, and smoke.
5. Absentee landlordism generally means neglect of property.
6. Antagonism of older inhabitants toward immigrants and social groups.
7. Routing of heavy traffic through these districts.
8. The low income of slum dwellers means low rents, which makes repairs and upkeep impossible.

The living conditions of the American people vary a great deal. For instance, in Washington, D. C., within walking distance of our national Capitol, hundreds of people are living in alley tenements. In New York City, only a brief distance from fashionable Park Avenue are some of the city's worst slums. It has been estimated that in New York City about 1,800,000 people, or one-fourth of its population, live in tenements. Over 67,000 buildings with 524,000 apartments are still "Old-Law Tenements."[1] These contain over 200,000 windowless rooms, where sunlight never enters.

Many who live in the slums are satisfied to remain there because they have never known any other way of life. Some live there because of ignorance and shiftlessness. Some lack a satisfactory way to make a living, others have been replaced in their jobs because of age. Most families have been forced to accept such a fate much against their wishes. Their incomes simply will not permit them to live in better homes.

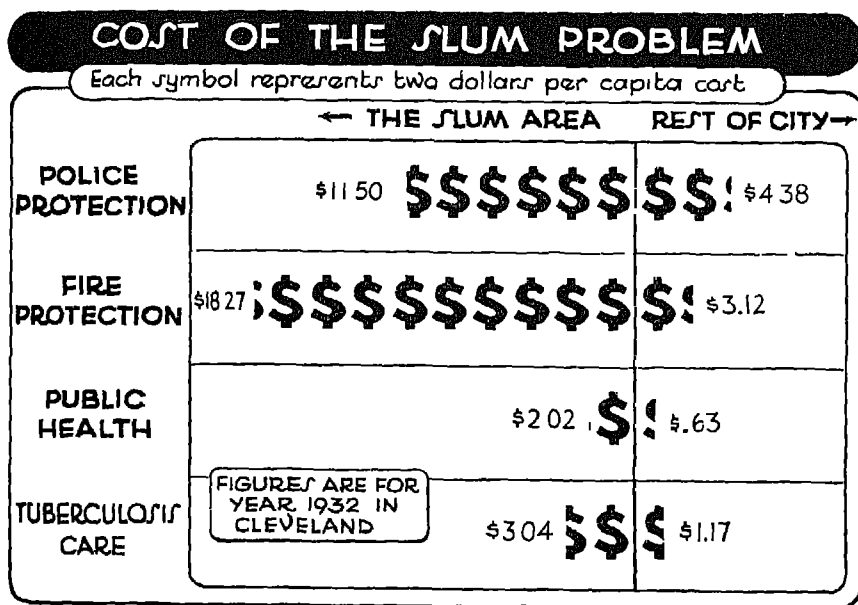
How a Slum Area Looks Under a Social Microscope.[2] One of the most important studies ever to be made of a slum area in the United States was undertaken by the Cleveland Metropolitan Housing Authority in 1932. The particular section of Cleveland selected for this study contained 333 acres of land and 22,236 inhabitants. As compared with the city as a whole this area contained 2.47 per cent of the population, of which 67 per cent belonged to the Negro race, while 9.6 per cent were Italians. The remaining population was made up of

[1] Some of these buildings have a slot like shaft on each side, at the center, to permit light and air to enter. Their shape won for them the nickname of "dumb-bell" apartments. After the Tenement House Law of 1901 was passed, "Old Law Tenements" were forbidden to be constructed. They were notorious because they lacked light, air, and separate water closets. Some were back to back rear tenements, with foul cellars and courts, while others were positive fire hazards.

[2] See "Analysis of a Slum Area in Cleveland," prepared for the Cleveland Metropolitan Housing Authority under the direction of Howard Whipple Green, with the co-operation of Rev. R. B. Navin and others, March 27, 1934.

various other races and nationalities. Only 1 per cent of the family heads, however, were native white of native parentage.

That this area had become an actual social menace can be seen from the figures given showing crime, vice, and delinquency. During the 12 years prior to the survey, 21 per cent of all the murders in Cleveland were committed in this section. It contained over 26 per cent of all the houses of prostitution, 10 per cent of all the illegitimate births, and 12.5 per cent of all deaths resulting from tuberculosis. Health services for people in this area cost approximately three times as much as the average for the entire city.

The following chart based on the survey reveals the enormous cost of maintaining a safety program.

Fire protection cost over six times as much for each inhabitant as for the entire city. In fact, there were over 600 false and unnecessary alarms in the area in one year. The cost of police protection was two and one-half times greater than for the city as a whole.

The number of delinquent boys brought into juvenile court was one-fifteenth as many as in the entire city. The cost of each juvenile court case averaged $25. Special schools equipped to care for mentally and physically handicapped Cleveland school children reported that 15.2 per cent of their enrollment came from this area.

While slightly more than 5,000 families lived in this section, only

8 2 per cent owned their own homes Out of every 100 families, 54 5 per cent were on relief in 1932 Although $225,000 was collected in taxes in this district, yet the ratio of tax delinquency was 164 per cent The official community, which includes the city of Cleveland, the Cleveland Board of Education, and Cuyahoga County, paid out in one year $1,132,000 more than was returned in taxes from the area In addition, these families received aid from the Community Fund and other charitable agencies, amounting to $615,459, which makes the total cost nearly $2,500,000 for one year

By placing this particular section of the city under the social microscope, several important things were brought to light In the first place, its people are not economically self-supporting Second, there is more than a proportionate amount of tax money spent for the legitimate cost and upkeep of social services These people live in ugly, unpainted, tumble-down shacks, among junk yards and dark alleys that are a menace to health and security The neighborhood is crowded with pool rooms, dance halls, and beer parlors that are dangerous to the moral standards of children.

As he glances at the increasing tax rate, the citizen may say that the city cannot afford a program of housing rehabilitation for inhabitants that he is apt to call shiftless While we cannot hold any community responsible for having at one time permitted such low standards of housing construction, we can with reasonable assurance say that slums are extremely costly, when we consider the added money burden they put on hospitals, health, safety, special schools, relief, and care for juvenile delinquency

Housing Conditions in Rural Areas. The rural housing problem includes the houses found in small villages as well as the farms Housing standards of farm houses are generally below those existing in our cities It is probably safe to say that from 75 to 80 per cent of the 6,700,000 farm houses which existed in 1930 were without the modern conveniences that many of us take for granted It has been estimated that of the total number, perhaps 730,000 farm houses should be completely demolished or replaced

Many farm houses are over 50 years old, which indicates a slower rate of replacement than in cities Age, however, does not necessarily make them unfit for homes Some of them have excellent foundations and wall structures made of well-seasoned timbers, which have lasting qualities Such houses could readily be made more modern by re-conditioning them.

Some important data about rural housing have been secured in a recent survey made by the Bureau of Home Economics A canvass was made of 542,000 farm houses in 282 select counties The survey showed that nearly 52 per cent of the farm homes were owned, and 35 per cent were rented or occupied by white families When most of these houses were built, lumber was the favorite building material Over 94 per cent of them were either of frame or stucco construction.

Farm Security Administration, photo by Lee

Children raised in the crowded slum areas have no opportunity for healthy play. The street must take the place of the woods, fields and swimming holes

Log houses still exist in many states, the maximum being 14 per cent in Virginia Some people still live in adobe or sod houses There appeared to be little overcrowding as the average farm house had 5 6 rooms, or 1 3 persons per room Eighteen per cent of the farm homes had bathrooms as compared with 72 per cent for the rented city dwellings Twenty per cent had cold water and nearly 10 per cent had hot water piped into the house Only 17 per cent of these rural houses were equipped with electricity for lighting purposes, while the majority still depend upon kerosene lights Very few possess central heating systems Mechanical refrigeration is practically unknown

Many farm people continue to use an outside toilet The open swill-barrel is in many cases the only place for the disposal of garbage and waste matter Water supplies from open wells are often contaminated

by nearby manure piles, which also become breeding places for disease carriers.

Many agencies help to educate the farmer so that he may improve his own condition. Among these agencies are State College Departments of Agriculture, Departments of Home Economics, and Agricultural Engineering. The American Farm Bureau Federation magazine and other farm magazines give valuable assistance through published articles, better homes contests, and individual services.

The Social Cost of the Slums

How Slums Produce Ill Health, Infant Mortality, and High Death Rates. It is no secret that disease occurs more frequently in slum areas than in any other part of our urban centers. And at the same time, death rates are much higher. Among the most wretched victims of modern life are the slum children that are forced to live in such an environment. To begin life under such conditions is a poor introduction to democratic living.

Let us look at this health picture. Tuberculosis thrives where people live in dark and poorly ventilated rooms. One section of New York City, for instance, was nicknamed the "Lung Block," because so many of its inhabitants contracted tuberculosis. Typhoid fever rages where the water supply is contaminated. Rheumatism flourishes in damp places. Rickets is found among children deprived of sunlight. Lack of fresh air produces fatigue, which lowers human vitality and resistance to disease. Statistics show that where there is overcrowding and congestion, illness and death rates immediately begin to rise. In those districts where not even outdoor privies are available, the polluted soil becomes a source for hookworm infection, which results in anemia.

In a survey of eight cities made by the Children's Bureau, it was found that where there is one person to a room the death rate for infants is only 52 for each 1,000 births. When the ratio is between one and two to a room, the death rate rises to 94, and when the ratio rate is more than two to a room, it rises to over 135 for each 1,000 births.

Howard Whipple Green, in the Cleveland survey, found that in the two highest rent areas—$100 a month and over—the general death rate was 7.2 for each 1,000 people, but in lowest rent areas—$15 a month or less—the death rate was 15 for each 1,000 people. Furthermore, the death rate from tuberculosis was 34 deaths for each 100,000 people in the highest economic group, while the rate was 215 in

the lowest economic strata of society. We can hardly expect people to live in such conditions and at the same time become good citizens. The astonishing and hopeful fact is that a large number of them do. There is no better evidence than this of the strength of the democratic spirit.

Juvenile Delinquency and Immorality. Most of the boys and girls who find themselves in the clutches of the law before they are eighteen years old live in the blighted areas of our cities. It is not bad housing, in itself, that causes children to become delinquent. Certainly, a crack in the wall, or a broken window, which is stuffed with an old pillow, should be little cause for juvenile delinquency. However, where there are such conditions as run-down housing and disrepair, there is usually a lack of wholesome influences in the home.

Here the child is driven to the street to play and find its leisure activities. Many of our most desperate criminals learned the tricks of their trade in the slums of their boyhood environment. Clifford R. Shaw, in his study of *Delinquency Areas*, shows the geographic distribution of school truants, juvenile delinquents, and adult offenders in Chicago. Of those youngsters from seventeen to twenty-one years of age, who were charged with major crimes, the maximum rates were 26.7 per cent just north of the loop, 26.3 per cent just west of it, and 26.2 just south of it. The maximum rate of crime was a fraction of 1 per cent in an outlying suburban district southwest of Chicago. These rate maps show that the juvenile delinquents of Chicago are not evenly distributed over the city, but are concentrated in those deteriorated areas of the city, near the stockyards and the steel mills.

Overcrowding and a lack of privacy are closely related to immorality. There can be little privacy where families are large, yet forced to live in a three-, two-, or even a one-room dwelling. It is natural for children to be quick to learn the habits of their neighbors. Real danger comes when underworld characters occupy the same buildings as respectable families. The slums produce many pitfalls for children, even though wise parents try to provide home recreations that will challenge their interests.

Private Enterprise and Housing. If private industry has found it possible to manufacture a fine, moderately-priced automobile, the cost of which is within the means of the average man, why can't houses be constructed that will meet the great need for decent shelter? For instance, the average retail price of a good car in 1910 was about $2,500, while in 1936 the same make of automobile sold for approximately $800. It was a much better machine, moreover, because it had a self-

starter, hydraulic brakes, shatterproof glass, balloon tires, and a better engine A house, on the other hand, which cost $3,000 in 1910, would have cost over $10,000 in 1936 No doubt this more expensive house would be equipped with many modern conveniences, yet we can thoughtfully inquire just why the cost of an automobile should come down so markedly, while housing costs have advanced so much

Farm Security Administration, photo by Mydans

One of the reasons for the high cost of building is the fact that each house requires special skilled work We have not yet reduced house building to mass production Here a plumber is cutting a pipe to fit in a house water system

One of the important factors in the reduced cost of the automobile is mass production There is an economic law which tells us that as the number of units of any product is increased, the cost of each unit is decreased Automobiles are manufactured in large numbers, the individual parts are standardized on a very large scale Therefore, the price of the finished automobile has been greatly reduced

Houses, on the other hand, are still largely custom built, which means they are erected piece by piece, in much the same fashion as they were 200 years ago Most of the building materials are cut and assembled on the building site Each single operation requires time This means inefficiency in construction and a waste of materials Furthermore, building a house requires the work of many skilled craftsmen—carpenters, masons, plumbers, electricians, steamfitters, window glaziers, tilers, wallpaper hangers, and painters These members of the

skilled trades often work at cross purposes, thereby causing delays and conflicts This factor makes the building trade a highly complex industry Weather conditions, too, make home-building a seasonal occupation, all of which is costly to the home owner

Obviously a house cannot be constructed with the same advantages of efficiency that go with the large scale production of automobiles Perhaps if the prefabricated house—one made piece by piece on a large scale in a factory—really becomes practical, then the cost of housing will also decline

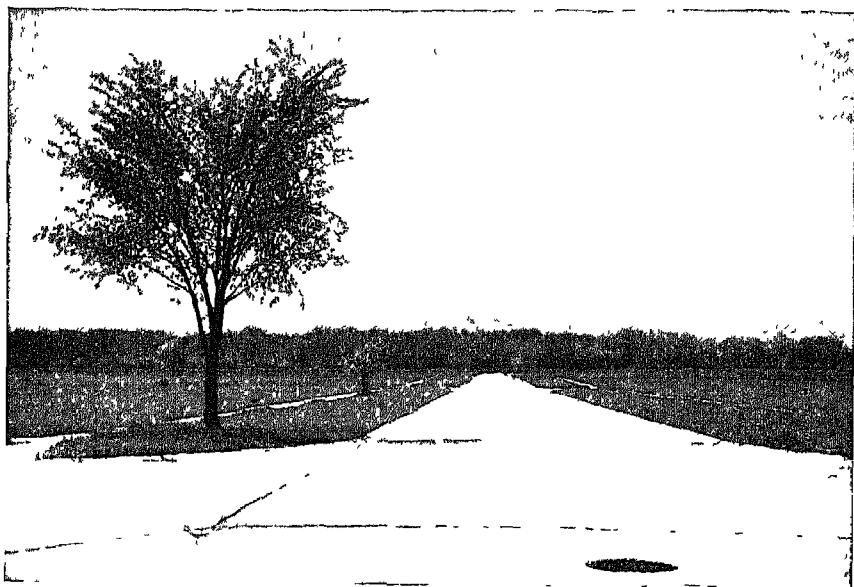
Why Certain Classes Are Restricted from Owning Good Houses. In normal times we build about one half million new houses each year Our peak building year was 1926, when we erected over 600,000 new houses, but in 1934, we built only 57,000 That is about one-tenth as many as we need to replace old houses and to care for new families

1 *The Cost of Building Materials* The cost of building materials must be considered in the construction of new houses In colonial times a shipbuilder contracted to build a house for 21 pounds—a little over $100 Today, however, the cost of brick, lumber, and other building materials would be many times that The labor cost of fashioning them into a house would be many times more

One of the reasons for the high cost of modern building in our large cities is the combination of labor unions, employers, manufacturers, and jobbers to boost the prices of building materials The purpose of these "rackets" is to uphold high wages and to prevent competitive price cutting of supplies The United States Department of Justice found that the unions agreed to call strikes on those who lowered prices, while the employers and manufacturers agreed to employ only union labor Mr Thurman Arnold, Assistant United States Attorney-General, undertook a vigorous enforcement program to break up these combinations which strangle the competitive use of cheaper materials, and which illegally fix prices

2 *Shortage of Skilled Workmen* Some of the labor unions in the building trades have sought to create an actual shortage of skilled workmen Monopolies are created with the closed shop, and by placing restrictions upon the number of apprentices who may learn skilled trades Before becoming master craftsmen, they must agree to work for a period of years—usually five—at a nominal wage Rather than wait such a long period before they can earn a reasonable wage, many of these young men give up in despair and turn to other fields of em-

ployment This shortage of workers enables those already employed to maintain a monopoly of high wages and steadier employment

3 *High Cost of the Land* Another important item in home ownership—especially for the city dweller—is the high price of the land As a general rule, an unimproved lot, in its raw state, should represent one-tenth of the total cost of a house, if equipped with improvements, then one-fifth of the construction cost. Thus, if you were building a

Farm Security Administration, photo by Rothstein

Another reason for high housing costs is the high cost of land Abandoned real estate developments like this are, in turn, one of the reasons for the high cost of land

house that cost $4,000, an unimproved lot should represent an investment of about $400, while an improved lot with sidewalks, watermains, sewers, and paving should cost about $800

Land speculation, however, has been the curse of the house builder In the boom era of the twenties, speculators often bought large parcels of raw land in suburban allotments which they improved for quick profits These lots were sold to an unsuspecting public The editors of *Fortune* made a survey in 1932 showing how the prices of raw land are inflated The property which they investigated was purchased for $3,000 an acre, each of which was divided into 12 fair sized lots, which later sold for $2,000 apiece Thus, this original acre netted nearly $25,000, of which 50 per cent went for promoter's profits, fees, selling expenses, and interest.

4 *Lack of Family Income.* People who live in poor houses are often accused of failing to husband their resources and to budget their incomes They are charged with spending their meager earnings unwisely for such luxuries as movies, liquor, tobacco, foolish recreation, and automobiles.

The income levels of our "ill-housed" families are revealed in a recent survey made by the National Resources Committee, which published its results in *Consumer Incomes in the United States* Here is what American families actually earned

AMERICAN FAMILY INCOMES 1935-36

Each symbol represents 5% of total wage earners

Income	Share
UNDER $1,000	42%
$1,000 TO $2,000	37%
$2,000 TO $3,000	13%
OVER $3,000	8%

These percentages may change from year to year For instance, if in the present year we experienced good times, those families who earn less than $1,000 may be reduced to one-third or less This would not mean a corresponding increase in real wages, if prices went up along with wages—as they almost always do The inescapable fact is that this table shows that many American families cannot afford decent shelter

Shall You Own a Home of Your Own?

Housing is necessary for everyone. All of us live in some kind of a house, whether it be a hovel in "shanty town," a rented flat, a modest dwelling in a middle-class district, or a mansion on Park Avenue The kind of a home in which we live has much to do with individual comfort, happiness, and efficiency

Shall You Buy or Rent a Home? The question of whether to buy or rent a home depends upon a great many factors. This is a decision that can be made only by each individual family. Some people rent by choice, because they believe that over a long period of time renting is less expensive. They prefer to let someone else assume the responsibility of paying taxes, interest, and insurance. By renting they avoid the expense of repairs and the depreciation of property. Home ownership also requires a great investment, or the assuming of a financial obligation covering a long period of time. In case of illness there is always the possibility of losing one's equity in a property, or the money invested. Others see little value in rent receipts. They prefer to struggle with mortgage payments and at the end of a period of time have the satisfaction of being home owners.

Many families are forced to rent because of economic necessity. Their incomes are so low, or uncertain, that they can do little more than meet the ordinary expenses of living. The occupations of some men require them to move quite frequently. In other cases, when employment is seasonal or uncertain, the burden of home ownership is an added risk. Young married couples are rarely able to buy a home outright, nor can they make the required down payment on one.

On the other hand, tenants are always faced with the possibility of increased rents. Landlords sometimes discriminate against families with children. Tenants are often forced to move, which is costly and inconvenient. Additional expense is required to convey the household goods, and often new household equipment must be purchased. Finally, there is the necessity of becoming adjusted to a new environment and to new social conditions.

The Remodeled House. The old house that can be repaired offers opportunities for home ownership to families in the low income brackets. These houses can generally be purchased for much less than it would cost to construct them. This is especially true of those houses over 25 years old. Some of them have soundly constructed foundations with excellent basements. Their interiors are often finished with the best of hard woods. By adding a centralized heating system, new bathroom fixtures, a modernized kitchen, some paint and wallpaper, these places can be transformed into substantial homes that are attractive and convenient. Such houses can be purchased and paid for by families whose income range is from $1,500 to $2,000 annually.

How to Build a Home. 1. *Minimum Requirements.* Everyone who plans to build a house should consider certain minimum standards

that will meet the needs of his family and give them health and comfort Every home should have as much direct sunlight as possible All rooms should have cross-ventilation, all living rooms should be equipped with adequate windows. The house should be provided with a sewer, connected bath, or shower, and a water closet, both located in a properly ventilated room within the house and for exclusive family use A sewer-connected sink is also essential for the removal of wastes The house should have running water and some means for heating it There must be adequate heating and cooking facilities to meet the family needs Provision must also be made for refrigeration There should be separate bedrooms for parents and children, the latter to be separated according to age and sex

These are some of the important objectives set forth by the President's Conference on Home Building and Home Ownership as essential conditions necessary for health, safety, contentment, and happiness of family life

2 *Selection of a Neighborhood.* The selection of a neighborhood demands careful choice The final location selected is often a compromise between an ideal and the price which you can afford to pay for shelter. In choosing a homesite, look about you, talk with your prospective neighbors and observe their children as they play Make some inquiries about police and fire protection The tax rate of a community will tell you an important story You will want to know if the streets are well lighted and if the community supports playgrounds, parks, and recreational centers Schools, churches, and shopping districts which are conveniently located are an asset to a home For those members of the family who must commute to and from their work, a reasonable distance to public transportation is an important factor No individual dwelling should ever be considered apart from its environment

Architecture of the House. The plan of a house should be based on simplicity Good architecture seeks to harmonize beauty in design with those elements that are useful and practical Ostentation and gaudiness has no place in house architecture, neither does a box-like structure without any visible signs of planning and co-ordination Good architecture is always sound economy It adds to the value of a house and helps to maintain the standards of good neighborhoods

Styles in houses change much like people's clothing, or new models in automobiles The American home of the nineteenth century was a large structure with ornate trimmings. There was much waste space

in the high ceilings of its rooms, its parlors and libraries were seldom used Sometime later the Swiss bungalow became fashionable, only to make way for an adaptation of English architecture Then came the Georgian style of house, the Norman, the Cape Cod, and the Early American More recently, however, architects have considered making the plan of a house primarily functional.

Financing Your Home. Not many people have the required cash to finance the full cost of building a house This means borrowing from an institution which makes it a business to lend money for house building There are a number of financial organizations which lend money to individuals if they prove to be sound financial risks Some of them are (1) savings banks, (2) building and loan associations, (3) insurance companies, (4) trust companies, 5) real estate finance companies, (6) speculative builders, and (7) wealthy persons

The United States Building and Loan League estimates that one can spend safely from one-half to three times the amount of the annual family income on a house and lot In most cases it is a wise rule to spend no more than twice your yearly income Budget experts consider that no more than one-fourth of the income should be spent for shelter Thus, if the annual income of the family is $2,600, then $650 may safely be used for housing purposes This would permit monthly payments of $54 50 for the carrying charges on a house.

1 *Character and Credit Rating* Banks are very particular about lending money After all, this money really belongs to the depositors. The character and credit of an applicant for a loan is investigated thoroughly Banking authorities will want to know about your business, or where you work and how long you have been employed there What are your chances of steady employment? Do you pay your bills promptly? What is your income? How many children are there in the family? Do you have a cash reserve in a savings account? Do you own other property? If you own a building lot, this may be counted as cash Your chances of securing a loan are greater if you can pay 20 or 25 per cent down as a cash equity Even your age is an important factor, for if you are over fifty years old you may not live to pay off the mortgage

2 *The Plans of a Home Are Important* The plans of your new house are given a microscopic test The bank will carefully examine the specifications, which show the details, the materials, and the many items of expense required to build the house Any unusual features, which might make it less salable in case of mortgage foreclosure, are

frowned upon For instance, a lender may refuse to give a loan to a physician who wishes to include an office attached to his residence Such hard and fast rules curb the initiative of creative people with vision, but they protect private capital from losses, because odd houses have little resale value in the real estate market

3 *The Straight Mortgage* The straight mortgage is the oldest way of protecting a loan, but this method is fast going out of use The mortgagor (debtor) agrees to repay the mortgagee (creditor) the money, with interest, which he has borrowed to finance his house If he defaults in either interest or principal, after the time set by the agreement, foreclosure proceedings may be started, and the mortgagor must surrender the property to make up for the unpaid loan Whatever is left, after the property has been sold and the mortgage has been satisfied, goes to the mortgagor as his equity If the indebtedness has not been cleared by the sale of the property, the borrower may still be held for the balance

Straight mortgages had many shortcomings They varied from one to ten years, and once they became due, payment could be demanded in full If the mortgage was renewed there were always additional costs, such as appraisal fees and the expenses of drawing up another set of legal papers Many people lost their homes because of the failure to put aside enough money to meet the principal when it was due

Lending agencies were opposed to granting a first mortgage of more than 50 per cent of the property's value The house builder, therefore, had to seek a second mortgage loan if he was short of capital In the event of foreclosure, the second mortgagee got what was left after the first mortgage was satisfied Because of the risk involved, the interest rates on the second mortgage were high, usually from 14 to 25 per cent Where state laws limited the amount of interest to a legal rate of 6 per cent, the surplus was called a bonus, or it was concealed in initial and renewal costs Second, and even third, mortgages are usually a menace They are often very hard to pay off owing to the high cost in the first place, and to the fact that people usually apply for such mortgages only when they are very short of capital The result has too often been that the mortgage had to be foreclosed and the owners lost all that they had put into their homes

4. *The Amortized Mortgage* The federal government has attempted to eliminate some of the abuses of high financing costs by setting up

the Federal Housing Administration Home financing is thus placed on the pay-as-you-go principle throughout the United States The following reforms have been begun by this government agency

1 Second and third mortgages are eliminated
2 The "basic maximum" interest rate shall be 4½ per cent throughout the nation
3 All FHA mortgages are insured for ½ of 1 per cent This insurance protects a lending institution from loss in case the mortgagor cannot meet his payments and the property is sold at auction
4. The government does not make loans, but financial institutions with an FHA rating are authorized to lend money Loans of 90 per cent may be granted on new building constructions up to $6,000 A loan of 80 per cent may be granted above this sum, up to $20,000 Loans for the purchase of an old house cannot exceed 80 per cent
5 Mortgages may be granted for a long term (as high as 25 years) with the provision that the principal, interest, taxes, insurance, and special assessments be amortized into equal monthly installments

Let us consider the case of Robert Smith, who has a dependable job which pays him $2,400 a year He is thirty years old, and has prospects of a permanent position He has saved $2,000, and wants to buy a new house, worth $6,000 He makes an application for a 20-year loan with an approved financial institution The bank investigates Mr Smith's credit and earning power, which it finds satisfactory The property is then appraised and found to be worth $6,000 The bank grants Mr Smith an insured loan of $4,500 for 20 years With $1,500 of his own money, Smith makes the purchase The following figures represent the transaction [1]

COST OF HOUSE AND LOT

Total Cost	$6,000
Cash payment	1,500
Mortgage	$4,500

[1] There are always initial charges in making a loan. Some of these are

A credit report	Lien survey
Attorney's opinion	Title guarantee
Appraisal fee	Application fee
Title research	Recording fee
Encroachment survey	Staking fee

The cost of these items is often included on the face of the mortgage

MONTHLY PAYMENTS

Interest and principal	$30 29
½ of 1 per cent, insured loan	1 88
	$32 17

In addition, taxes, special assessments, fire and hazard insurance, and the service charges of the banks must be included. The total monthly payments of Mr. Smith will be between $40 and $45, or $480 to $540 annually. This is less than one-fourth of his income, and a well planned financing project for shelter.

Home Ownership Gives You a Stake in the Community. Home ownership is one of the best ways to get people interested in their city and their neighbors. By owning his own home, each man feels that he has a "stake in the community," which is one of the surest ways of making good citizens. Home ownership offers other advantages, such as:

1. *Responsibility.* The home owner develops a personal responsibility for civic and social affairs.
2. *Independence.* The home owner can develop his life as he wishes. He can furnish the interior of his home to suit his taste, and the exterior can be made to express his personality.
3. *Credit.* Home ownership gives financial credit rating in the business world. It develops habits of thrift, which is recognized as a fundamental principle of stability.
4. *Security.* Home ownership offers a degree of financial independence. A cash equity in a home is like a savings account, and in times of stress one can always fall back upon it. It also gives one a sense of individual freedom.
5. *Character Development.* The permanent home furnishes a social background for children, where they can play and develop normally. Friendships and associations are also formed, which last over many years.
6. *Peace of Mind.* Home ownership gives you the feeling of permanence and the satisfaction that you are a free individual.

A man may have the most humble of jobs while earning his livelihood, yet a home gives him a retreat with privacy and seclusion. He is "monarch of his small domain." He takes pride in his lawn and his garden. He sees that his house is kept painted and in repair. His home

becomes an expression of his personality He sets a fine example for his neighbors Home ownership creates those traits of character and citizenship which benefit the community

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest overcrowding, slums, blighted areas, landlordism, dumb-bell apartments, housing authorities, sanitation, building rackets, real estate speculation, mortgage, title, Federal Housing Authority

INFORMATION, PLEASE!

2 **a** State briefly our housing problem **b.** What are the economic and social conditions that cause the slums? **c** Summarize the conditions found in the survey of one of Cleveland's slum areas **d** Why are some of our worst slums found in rural areas? **e.** Show how the slums create ill-health, juvenile delinquency, and immorality **f.** Compare the construction of houses and automobiles and show why it is hard to build houses by mass production **g** Why is it almost impossible for poor people to own their own houses under our present economic conditions? **h** Why do some people rent a house in preference to owning one? **i** Summarize the requirements in buying or building a house

CAN YOU THINK?

3 **a** How does your community measure up to good housing standards? **b** If 100 families were removed from the slums into a first-class residential district, would it in time also revert to a slum area? **c** Why are architects and builders slow to change their ideas of planning homes to meet social needs? **d** Will proper zoning laws prevent "jerry-building" and the creation of substandard houses? **e.** Is it more economical for society to clear the slums than to permit people to occupy them?

WE LEARN BY DOING

4 **Forum** Arrange an assembly forum Have three students arrange short talks on the following topics **a** slum-clearance, **b** housing standards, and **c** government assistance The presiding officer then should permit discussion from the floor

5 **Observation Trip.** Plan a trip through a "shanty town," or the slums Then visit a government housing project, and a new home that is on ex-

hibition Talk with people at these places Note attitudes and standards of living Report findings to the class

6 **Model.** Let several students draw plans for a small house Consult architectural and housing magazines Let another small group of students build a small model of this house

7 **Exhibit** Prepare an exhibit of housing materials—pictures of slums, new houses, government projects, graphs, charts, newspaper articles, pamphlets, and magazines on housing

8 **Committee.** Organize a committee to study methods whereby students can help to improve their individual homes

9 **A Special Report** Read A Bemis and J Burchard, *The Evolving House,* chaps xvi and xvii, for an interesting account on American homes, or E F Robinson and T P Robinson, *Houses in America* (over 150 pencil sketches)

10 **Debate a** Resolved That the United States has higher standards of housing than European countries **b** Resolved That there are more advantages in renting a house in the city than in owning your own home

WE READ FROM OTHER BOOKS

11 **General Readings** The following readings will give you a general idea of the major factors involved in this study Consult, *Building America,* "Housing", *Can America Build Homes,* Public Affairs Pamphlet, No 19, *The Homes the Public Builds,* Public Affairs Pamphlet, No 41, A Troelstrup, *Housing in the United States,* North Central Association Pamphlet, Edith Elmer Wood, *Introduction to Housing,* Superintendent of Documents, Washington, D C

12 **The Slums.** Consult Langdon Post, *The Challenge of Housing,* chaps ii and iii, *Slums, Large-scale Housing and Decentralization,* Vol III of The President's Conference on Home Building and Home Ownership, Edith Elmer Wood, *Slums and Blighted Areas in the United States,* Superintendent of Documents, Washington, D C, Edith Elmer Wood, *Recent Trends in American Housing,* chap xv

13 **Home Ownership.** Consult Geoff Conklin, *All About Houses,* Elizabeth Gordon and Dorothy Ducas, *More House For Your Money, How to Judge a House,* Superintendent of Documents, Washington, D C, F Peters, *Without Benefit of Architect, Principles of Planning Small Houses,* Superintendent of Documents, Washington, D C, *How To Own Your Home, and Present Home Financing Methods,* Superintendent of Documents, Washington, D C

14 **Popular Readings.** Anonymous, *Four Years in the Underbrush,* R Borsodi, *Flight From The City,* J Linn, *Jane Addams,* J Riis, *How the Other Half Lives,* L Wald, *House on Henry Street,* E Ertner, *Gilbert Head.*

CHAPTER 15

THE HOUSING PROBLEM IS BEING ATTACKED ON MANY FRONTS

****

Adequate shelter is as essential in a democratic society as educating children, protecting health, guarding lives and property, and caring for the helpless The housing problem consists of many factors, from encouraging and protecting small home owners to granting financial aid to housing authorities for slum clearance.

****

Housing Agencies of the United States Government

The Home Owners' Loan Corporation. One of the most serious results of the depression was the foreclosure of mortgages on American homes Banks refused to extend loans and credit practically disappeared Toward the middle of 1933 the foreclosure rate totaled more than 1,000 homes a day As a result, real estate values dropped, and most large holders of real estate mortgages had crippling losses

Congress, recognizing this emergency, set up the Home Owners' Loan Corporation in June, 1933 This agency was provided with a capital of $200,000,000 with which to make loans directly to distressed urban home owners, to refinance existing mortgages, to pay delinquent taxes, and to finance the reconditioning of homes. The life of this agency was limited by Congress to June, 1936 During this time the Corporation made loans of over three billion dollars to over a million home owners

To protect itself the Corporation secured a lien, or first mortgage, against the property on which loans were made In no case could such a loan exceed 80 per cent of the appraised value of the property. Maximum loans on homes were $14,000. All loans were amortized over a 15-year period, with an interest rate of 5 per cent In some cases the Corporation was authorized by Congress to grant a three-year moratorium on the principal payments, where the owner was in distress but had future prospects of meeting payments The Corporation also induced the mortgage holders to scale down the original debt, thus saving over $200,000,000 for the home owners of the nation who had purchased their property in times of price inflation The

average indebtedness of each borrower was approximately $3,233 before refinancing, but the average size of the loan granted by the Corporation was only $3,027 The net foreclosures, which the corporation had to undertake represent only 3 4 per cent of the total loans made by the Corporation

The existence of the Corporation, shortlived though it was, helped to correct certain evils in home-financing practice By refinancing one-sixth of the nation's mortgaged homes, for a long-term and on a direct-reduction basis, it demonstrated the weaknesses of the short term mortgage, and practically caused the elimination of all second mortgages. It discouraged commissions and bonuses on financing charges It helped to accustom lenders as well as borrowers to a low interest rate It also emphasized the scientific appraisal of home properties

The Reconstruction Finance Corporation. In 1932 the Reconstruction Finance Corporation was set up with the power to issue building loans for limited-dividend[1] projects subject to state or municipal housing board approval This was an attempt to attract private capital which would be satisfied with a limited earning power Only one loan was made, that to the Fred F French Corporation of New York City, which borrowed $8,000,000 at 5 per cent interest, to finance a slum-clearance, model-housing project covering four city blocks. The result was Knickerbocker Village, which replaced the notorious "Lung Block"

This example is important because the RFC tried to interest private capital in investing in low-rent housing projects on a "self-liquidating" basis But investors were not interested The next step taken by the government was to create the Public Works Administration The law which established this agency stated that "slum clearance and low-cost housing" was a part of the job of the PWA But the clause declaring that this would be on a "self-liquidating" basis was omitted In this way it differed from the RFC housing project

The Housing Division of the Federal Emergency Administration of Public Works On June 16, 1933, Congress created the Housing Division of the Federal Emergency Administration of Public Works as part of the recovery program Harold L Ickes, Secretary of the Interior, was appointed the Administrator The primary purpose of this agency was to proceed with slum-clearance projects, to construct low-cost housing, and to stimulate activity in the building industry.

[1] A limited dividend corporation agrees to accept a limited profit on its investment—usually 6 per cent In return, the state and city grant tax exemption on its improvements for a period of about 20 years.

Our government proposed to make loans and grants available to public agencies for housing projects Because many communities did not have the type of agency which seemed suitable to the Administrator of the Public Works Administration, it was decided to undertake the program as a federal activity

Wherever housing projects were undertaken, local communities had to show some evidence of being willing to stand behind them Progressive cities, like New York, Cincinnati, Cleveland, Milwaukee, and Chicago, prepared complete surveys and made local recommendations which were of great assistance in speeding up the work Many of the cities helped, too, in clearing titles to acquired properties Such local sponsoring and planning gave those cities preferences

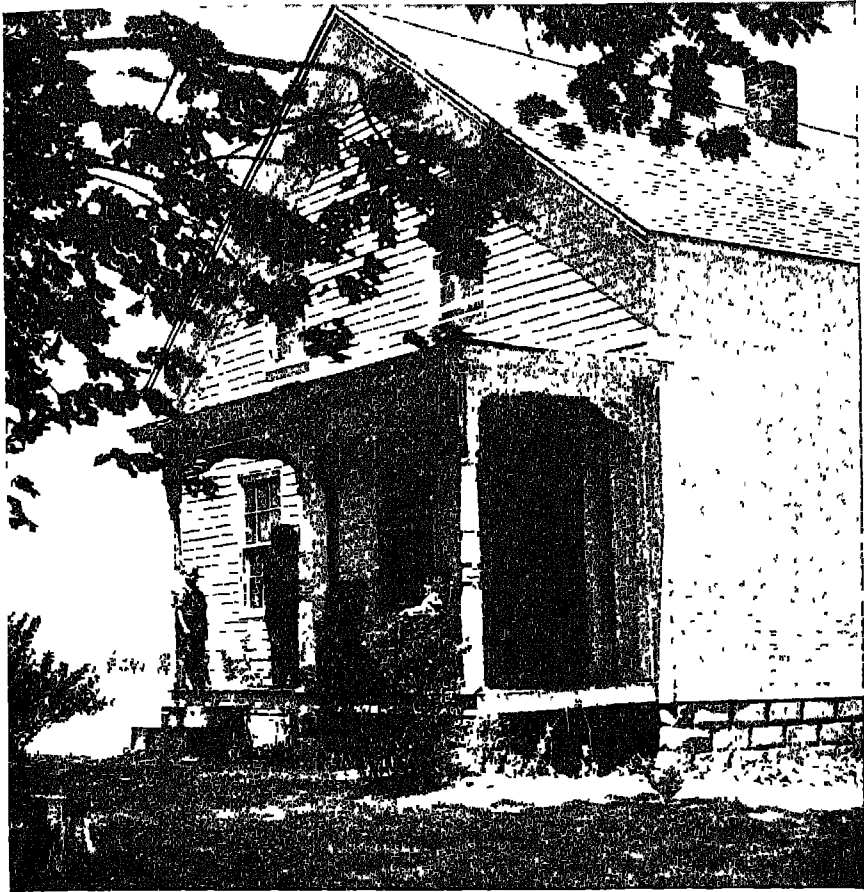
Farm Security Administration, photo by Vachon

The problem the Farm Security Administration has tried to meet, run-down farm tenant houses on run-down farms like this.

PWA Sponsors First Housing Projects By December, 1936, the Housing Division had begun a national program of slum clearance and low-rent housing costing $133,500,000 In 36 cities of the United States, and two of its insular possessions, there were 51 projects actually under construction They provide approximately 21,000 families of the low-income groups with sanitary living quarters [1]

One of the first projects to be undertaken was the Williamsburg estate (formerly called Ten Eyck) in New York City It contains 5,658

[1] PWA housing projects were operated by the United States Housing Authority until they could be leased or sold to local housing authorities

rooms or 1,622 units and is built on a 24 1 acre site Over 13 million dollars was appropriated for this project, which replaces a former slum area in the heart of Brooklyn A playground and a school were also erected within the area

Farm Security Administration, photo by Vachon

The Farm Security Administration's solution to the problem shown on the opposite page By receiving an FSA tenant purchase loan this farmer was able to buy a farm (shown here) which could be productive, and which could provide decent living conditions

The government has built most of its projects in groups, because the cost per unit is less than when single houses are built In addition, housing units built in groups are more economical to heat The cost of plumbing and electrical construction is reduced The government was also able to get a reduced rate for electric current

The dwellings vary from three to six rooms They are equipped

with bathrooms, hot and cold running water. Heat is furnished from a central plant The buildings cover less than one-fifth of the total ground area of the site The remainder is given to grassy plots where children may play, safe from the dangers of the public streets

Rents in the Lakeview Terrace homes of Cleveland, Ohio, vary from $21 50 per month for a three-room unit to $23 25 per month for the four-room dwellings The rent includes the cost of heat, refrigeration, and hot water This outlay represents about one-fifth of the tenants' income, hence it is possible for a small family with a $100 a month income to secure good housing

You may well ask how the government can provide such improvements for slum dwellers when private business could not make it a profitable investment This is accomplished by a subsidy—an outright gift from the government Congress says—"We will put up all the money necessary to build this project, but you will not have to pay it all back You must pay for operating the establishment We ask that only 55 per cent of the cost of the project be returned" Some may object to the taxpayers' money being spent in subsidies to any special class of its citizens One answer to this is the fact that slum areas usually cost 4 to 10 times more for upkeep than they pay back to the city in taxes

Subsistence Homesteads. In an attempt to correct the over-balance of population in industrial centers, Congress in June, 1934, set aside $25,000,000 as a fund to be used for the creation of subsistence homestead projects The Federal Subsistence Homesteads Corporation was created to handle this fund The purpose of this organization was to build and finance homesteads on which families might raise much of their food Four types of projects were tried

1 Small garden plots close to industrial centers
2 Larger homesteads near decentralized towns
3 Rural projects designed to demonstrate that rural life can be made self-sufficient and attractive
4 Projects to accommodate workers left stranded by the closing or removal of industries

Individual homesteads varied from one to thirty acres, and consisted of dwelling and out-buildings These homesteads could be rented, or, if purchased, the cost ranged from $1,500 to $4,000, which included tools, seeds, fertilizers, chickens, pigs, and perhaps a cow and horses The government also granted long-term payments with a low rate of interest

In 1935, the Subsistence Homestead Division of the Department of the Interior was transferred to the Resettlement Administration, in the Department of Agriculture

Resettlement Administration. A new approach to the problem of low-rent housing for American workers was worked out in three rural-industrial communities constructed by the Resettlement Administration These are model towns, built for low-income groups and developed at·

Greenbelt, Maryland, near Washington, D C	885 units
Greenhills, Ohio, near Cincinnati	676 units
Greendale, Wisconsin, near Milwaukee	572 units

A fourth project, originally planned for Bound Brook, New Jersey, was abandoned because of a legal controversy

Farm Security Administration, photo by Marion Post

One of the houses in the federal government's model housing project at Greenbelt, Maryland.

The Resettlement Administration has said that the purpose of the government in planning and creating these new towns has been to obtain a large tract of land, and on it "to create a community protected by an encircling green belt, the community to be designed for families of predominantly modest incomes, and arranged and administered so as to encourage that kind of family and community life which will be better than they now enjoy "

The planners started with the raw land, taking undeveloped areas which were within easy commuting distance of industrial and commercial employment The "greenbelt" area which surrounds the town is to be held in reserve for future expansion Proper control will prevent undesirable developments that would injure the residential community and destroy property values

1 *The Plan of Greenbelt* The first of these planned communities to get under way was Greenbelt, located near Berwyn, Maryland, five miles from Washington, D C, on a 2,100 acre tract of land Most of Greenbelt's 885 new dwelling units are located in group houses, with some apartments All are equipped with electricity which is used for cooking, lighting, and refrigeration Residents of Greenbelt were selected from applicants whose income ranges from $1,000 per year up to $2,200 for families with four children

The usual gridiron pattern, or the construction of streets running at right angles, has for the most part been eliminated, because it is costly and wasteful of the land Rather the "super-block" pattern has been used, because it is more economical and practical These large residential blocks are five or six times as big as an ordinary city square One typical block, "D" in Greenbelt, has 122 dwelling units and houses from 400 to 500 persons Dwellings are constructed so that they face the center of this huge block This center then becomes a park interlaced with walks, trees, and green lawns

Greenbelt is completely surrounded by about 8,000 acres of woods and farm land protecting it from undesirable buildings and land use Several acres of fertile land adjacent to the town are turned over to the residents for vegetable gardens It is possible to expand the community in this area, thereby accommodating nearly 10,000 families with a total population of 40,000 persons On the borders of this new town is an artificial lake of 25 acres There the people can go boating and swimming Beside the lake is a large recreation center with athletic fields, playgrounds, and picnic areas Trails and camp sites in the woods and forests give the people of Greenbelt an excellent chance to take up hiking and outdoor sports

2 *Social Life and Education* Greenbelt has a high school which is shared by other residents of the county, and a grade school which serves as a center for community life It also has a town library, and a community gymnasium, capable of seating 8,000 persons

3 *Public Utilities* The town has constructed a sewage disposal plant with 16 miles of storm sewers and 10 miles of sanitary sewers Its new water tower has a capacity of 2,000,000 gallons, and a com-

plete new electrical distribution system has been built All these utilities have been designed and built to take care of the future growth of Greenbelt They will be able to serve a total of 3,000 houses or a town nearly four times larger than the present one

4 *Its Commercial Life* The commercial center of Greenbelt can easily be reached from all dwellings It contains a food store, a drug store, a general merchandise store, a restaurant, a barber shop and beauty parlor, a service garage, a bus station and filling station, a laundry agency, a post office, a motion picture theater, and offices for professional people Essential precautions have been taken to avoid any monopolistic abuses in commercial services

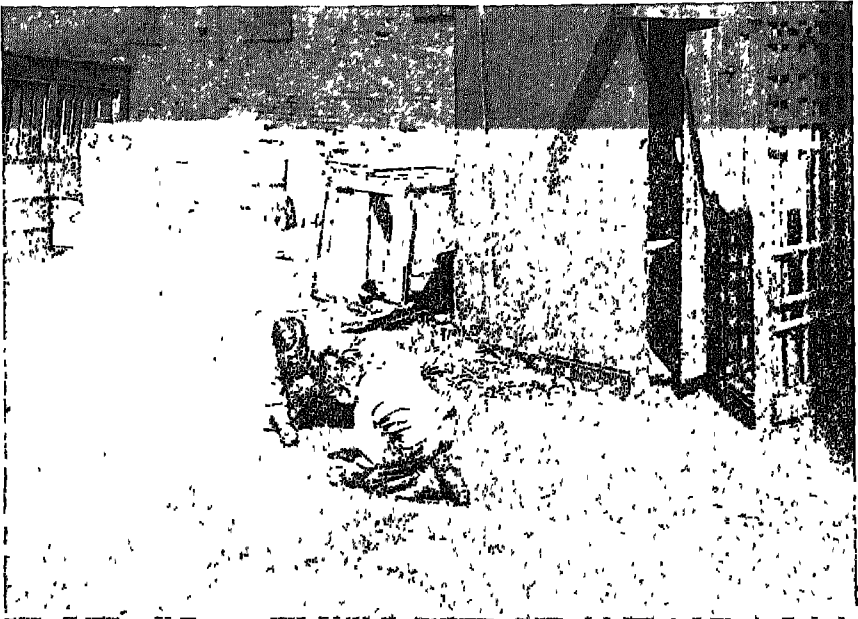
5 *Municipal Government* The tenants of Greenbelt are eligible to become voters in the town They have elected a town council, which has chosen a city-manager to administer the affairs of the community

The United States government now collects nearly $425,000 in rent from the tenants of Greenbelt every year This revenue also includes money paid for water, electricity, and heating Out of this money the government pays taxes to the state, county, and town, equal to the amounts which would be paid in normal taxation The tax money received by Greenbelt covers the cost of police and fire protection, maintenance of parks, lighting of streets, and the operation of the sewage system and garbage collection Greenbelt has thus become completely self-supporting Over and above those sums spent for taxes and maintenance cost, there is a yearly surplus of about $60,000 which can be used to repay the government for its investment, though it is doubtful that the total cost can be repaid

The following summary shows the amounts which were spent to develop the town of Greenbelt

Land used for building purposes, including surveys, clearing, grading and landscaping	$ 246,000
Roads	528,000
Walks	146,000
Utilities	852,000
Schools	494,000
Commercial buildings	344,000
885 new residences	4,799,000
13 rural homes and farms	85,000
Lake land and development	178,000
Recreation center land and development	112,000
Undeveloped land within the town	614,000
	$8,398,000

The Farm Security Administration in the Department of Agriculture now operates the three greenbelt towns, but does not build any more of them The policy of this agency is to lease the excess land in each greenbelt area for long terms Private enterprise is encouraged to build on this leased land for higher income groups, thereby making it a more normal community

The Federal Housing Administration. The Federal Housing Administration does not lend money, nor does it build homes It is an

Farm Security Administration, photo by Rothstein

Planned community living means that conditions like this can be eradicated.

insurance agency which protects banks, building and loan associations, life insurance companies, mortgage companies, and other qualified lending agencies against loss on loans made for the construction, purchase or repair of houses, and other types of buildings

The FHA offers two plans for home ownership Under the Title I insurance plan, new small homes can be financed with a down payment as low as 5 per cent of the appraised value of the completed property Loans are insured and amortized for the life of the mortgage with a maximum maturity of 15 years The annual interest rate is limited to a maximum of 4½ per cent plus an annual service charge of ½ of 1 per cent on the original amount of the mortgage

Under Title II mortgaged loans are issued up to $16,000. The

mortgage may not exceed 80 per cent of the property valuation except for loans under $5,400 on single-family owner-occupied homes constructed under FHA inspection In this case the loan may represent 90 per cent of the property value Loans are also insured for modernization or repair of homes, business and industrial properties, farm houses and other buildings.

Since the founding of the FHA in 1934, over a half million families have been able to build or finance homes under the FHA plan Insured loans on small homes now amount to nearly $2,500,000,000 Over $1,000,000,000 has been lent for modernization purposes Furthermore, through its rigid inspection the FHA has helped to abolish poorly constructed, poorly planned, and poorly located homes

Farm Security Administration, photo by Vachon

This picture of Greendale, a planned community in Wisconsin, developed by the Farm Security Administration, shows what we should do to correct the problem shown in the preceding picture

The United States Housing Authority. In 1937 Congress passed the Wagner-Steagall Act, which created the United States Housing Authority This Corporation is under the general supervision of the Federal Works Agency An Administrator appointed for a period of five years by the President, with the advice and consent of the Senate, is the actual head of the Authority The law with the Amendment of 1938 provides for the spending of $800,000,000 for the con-

struction of adequate housing facilities for the low-income workers of the United States

The United States Housing Authority is primarily a financial-assistance agency, which makes loans and subsidies to local public housing authorities By 1940, 37 states of the union had followed Ohio's lead and passed enabling acts which permit local communities to create public housing authorities The USHA will make loans up

Farm Security Administration, photo by Marion Post-Wolcott

These are the directors of Greenbelt's group health co-operative Community activity like this in which all of the tenants can participate is one of the great boons of planned housing development

to 90 per cent of the total cost of a local housing project for 60 years at very low interest rates The local housing authority must prove by surveys the need for decent housing for low-income families It must also raise 10 per cent of the development cost of the project Loans are limited to the construction of dwellings in which the average cost per room shall not be over $1,000 in cities whose population is under 500,000, nor over $1,250 in cities which have over 500,000 people

The following is a simple example of how the USHA plan works [1]

[1] *What the Housing Act Can Do for Your City*, by the United States Housing Authority, Washington, D C, Superintendent of Documents, pp 19 23

"A loan of $4,261,000 was granted to the local housing authority at Louisville, Kentucky, for building a project consisting of 814 family dwellings with over 3000 rooms The annual debt service to U S H A and local loans amounted to about $173,000 Annual operating expenses amounted to nearly $150,000, and taxes, if collected, would come to nearly $89,000 The total charges against the project were $412,000 annually To meet these costs the local authorities would have to charge a monthly rental of $42 per dwelling unit, about $10 50 monthly for each room The annual income of such families would have to be over $2100 a year, or more than two and a half times the income level of families living in the slums To reduce rents to approximately $4 per room, the U S H A grants an annual subsidy of $165,000, or a sum equal to 3½ per cent of the cost of the development, for the entire life of the project Thus the 'economic rent' (what decent housing is worth) is reduced to a 'social rent' (what those families can afford to pay) The U S H A is authorized to spend $28,000,000 per year for subsidies"

By the end of 1939, the USHA financed about 160,000 dwelling units, enough to house adequately nearly 650,000 people

How State Authorities Aid Housing

The New York State Housing Law One of the greatest landmarks in housing legislation passed in this country was the New York Housing Law of 1926 Building construction had been at a standstill in New York City from 1918 to 1921 Rents were high and there was a serious shortage of good shelter owing to high costs of building material The main purpose of the law was to interest private enterprise in housing as an investment

The New York Housing Law created a partnership between private enterprise, the state of New York, and the municipal governments of the state This law provided for and encouraged the creation of the limited-dividend company Such a company must provide one-third of the necessary capital for any project, the balance, if raised by a first mortgage, cannot bear more than 5 per cent interest The law permits a company to accumulate a surplus not to exceed 12 per cent of the outstanding capital stock Any excess of receipts above that which is authorized, must be applied to a reduction of rents Tax exemptions are granted for 20 years only on improvements on the land, and on projects constructed prior to January 1, 1937 One member of the State Board serves as a director of each company These companies have also a limited per-room per-month rental basis which includes heat In 1926 the maximum rent was $12 50 while the minimum was about $9 00 So far these limited-dividend com-

panies have not been extended beyond greater New York. There are in New York at present three co-operatives, two commercial and one civic housing organization, all built under the provisions of this law.

The California Plan[1] In 1921 the legislature of California passed an important piece of housing legislation—the Veteran's Farm and Home Purchase Act. This law helps war veterans of the army, navy, or marine corps of the United States to purchase farms and houses.

Loans of from $5,000 for a house, or $7,500 for a farm are made to veterans. A small down payment of 5 per cent of the purchase price must be made on a house and 10 per cent on the price of the farm. The remainder is amortized in equal monthly installments at 5 per cent interest over a period of 20 years. The state grants all veterans a tax exemption of $1,000. In most counties, too, the properties are exempt from taxes as long as the state holds the title. To date 14,596 houses have been purchased at an average cost of $4,655. In addition to this 514 farms were bought by veterans using these loans. There has been some delinquency in payments, owing to illness and unemployment. In most cases, the state has been able to resell the properties at a profit. Obviously, this is a piece of class legislation intended only for a particular group of citizens. But if it is sound and workable for veterans, the same plan might be used to purchase homes for families who have a small income.

Private and Co-operative Enterprises

Radburn. The City Housing Corporation of New York City conceived the idea of building an ideal American community. This newly-planned town, called Radburn, was established in Bergen County, New Jersey. Radburn is just 11 miles from the George Washington Bridge. It is built upon a tract of land which covers about two square miles. This garden city is planned to house ultimately a population of 25,000 people. The development will cost about 50 to 60 million dollars and require 10 years to complete.

There are two principles which have been kept in mind in planning Radburn. The first was to create an active community life with opportunities for planned, wholesome communal activities for recreation. The second principle in the Radburn plan is that since the motorcar has become a part of everyday living, families would desire a home so located that it would afford some degree of safety from traffic hazards, and a measure of peacefulness without noise and dirt.

[1] Several states have adopted homestead exemption tax laws for houses valued less than $5,000. This is a subsidy in the California manner.

The original plan called for the erection of "super-blocking" Each of these blocks was to be a mile or more in circumference and to contain the population of an entire elementary school Traffic was diverted around the block but not through it The houses built in these blocks were grouped in clusters of from 15 to 20 Traffic danger has been minimized, especially for children, as underpasses connect the various superblocks

Homes in the first groups sold from $7,900 to $18,000 A down payment of 10 per cent is required with monthly payments to care for an amortized mortgage The character of the community has been protected by restrictions

Co-operative Housing. Before the war co-operative housing was successful in many European countries Much of this success has been due to the financial encouragement given to the co-operators by various governments in the form of subsidies, tax exemptions, and housing loans with low rates of interest

Among those co-operative societies which have been successful, there have always been strong ties of race, religion, nationality, or trade unionism to hold them together Under true co-operative housing, the society holds title to all property Each member subscribes to shares in the organization which equals the value of the premises which he will occupy—either apartment or home He may pay cash for his shares, or include payment in his rent to cover a period of years Although a member has a 99-year lease upon his dwelling, he cannot sell at a profit in times of prosperity or inflation If he desires to move or withdraw from the association, he merely cancels his lease and cashes in his shares at their original value Real co-operative housing is interested only in furnishing adequate dwellings to its members at cost

The Amalgamated Housing Corporation. One of the leading labor unions in the United States is the Amalgamated Clothing Workers of America Under the leadership of Sidney Hillman, the union has reached a membership of 50,000 in the New York area alone. The union has two saving banks—one in Chicago and one in New York—with resources of approximately 13 million dollars As these workers increased their savings they turned to the question of housing

They established the Amalgamated Housing Corporation, and purchased land in the Bronx, near the new DeWitt Clinton High School, for the purpose of erecting co-operative apartments It was opened in 1927. There are 303 apartments, each containing from two to six

rooms, but mostly three or four There are a total of 1,185 rooms in the group Later in 1929 another group of 208 apartments was added, making 511 for the total development These apartments are thoroughly modern and furnished with the latest household equipment

The total cost of the land and building for the first project was $1,825,000 or about $1,500 per room A savings of $30,000 has been made each year by tax limitation The nominal rent for each room falls within the $11 maximum permitted by law in the Bronx Every tenant must subscribe to $500 worth of stock in the corporation, for each room which he occupies. He may pay this in cash, or borrow either from the Amalgamated Bank, or its Credit Union

The Amalgamated Housing Corporation has been unusually successful in co-operative venture Much of its success was due to the New York State Housing Board, tax exemption from New York City, the vision and able leadership of its founders

The Marshall Field Garden Apartment-Homes. The Marshall Field homes have been built for white people who live on the north side of Chicago This project occupies about two city blocks in an area which should have been condemned long before There are 627 apartments with about 2,800 rooms, some of which are used for such commercial purposes as stores. The average monthly rental per room is about $13 50 Since Chicago offers no exemption from taxes, the rents remain above what can be afforded by those families in the lower-income brackets As a private investment these homes yield better than 8 per cent The project has resulted in cleaning up a bad neighborhood Furthermore, it has provided better living facilities for families in the lower middle income groups

The Michigan Boulevard Garden Apartments. Julius Rosenwald has always been a friend of the Negro race The development which he sponsored is located on a six-acre plot on Chicago's South Side The buildings cover 40 per cent of the ground, they are five stories high and contain over 1,600 rooms, the average rental being about $16 per room per month The average family income of tenants is about $2,400 The project was not intended as a model of slum-clearance, rather it was offered as a model which might encourage other capital into the same field

Philanthropic enterprises have this significance When the federal government was ready to undertake a public housing program, the experience of such philanthropic enterprises as the Paul Lawrence Dunbar, Marshall Field, and Julius Rosenwald housing projects pro-

vided practical examples for the government to study. They showed that without assistance low-income families could not be decently housed. The very lowest income groups could not be housed without continual philanthropic assistance. The only answer apparently was a subsidized program.

Conclusion. The depression years made it clear that the credit structure of home financing rested on an unsound basis. Inflated land values, over-financing, and real estate speculation were the primary causes for this problem. The Home Owners' Loan Corporation, as a limited emergency agency, helped to correct some of these evils. It provided greater security for the home owner.

The Federal Housing Administration was also instrumental in helping to correct credit financing. In addition to insuring mortgages it made provisions whereby homes could be built or purchased with small down payments. It revitalized home-building and provided labor for the building trades.

The New York Housing Law offered private capital a tax reduction program in return for an agreement by the investors to take limited-dividends on low-rent housing projects. Some advances have been made by this law, but more frequently investors have found other means to secure greater returns for their money.

Much credit must be given to those courageous groups that have undertaken co-operative housing projects. This movement is worth studying. The co-operatives made great strides with housing in England, Holland, and the Scandinavian countries before 1939.

Under our present economic system it is often impossible, and in many cases undesirable, for low-income families to buy homes. The ideal shelter for these people appears to be subsidized, mass housing with low construction costs and low rents. Such large scale rental projects have practically all the advantages of home ownership. Here a worker may have what is paramount to his own home, yet he is in a position to move whenever his employment requires. Ownership is not as important as good shelter that fits the needs of the worker.

Finally, the history of our slums, with their crowding and wretched houses, is in reality the history of our cities. They grew without a pattern for wise land-use practices. To overcome this evil our government has developed several planned community-greenbelt towns. Perhaps these model towns will aid our cities to plan with wisdom and foresight for the future. Only by such planning can our communities be improved for better living and greater security.

UNIT SUMMARY

The home is greatly emphasized in this treatment of our democratic society because of its obviously vital importance The home has many functions and nearly all of them depend upon housing. To people in the upper third of income distribution housing is simply a problem of choice and careful financing For them home ownership is attractive and desirable.

However, for families with low incomes, housing is a serious and, sometimes, an insurmountable problem With a budget that allows not more than one-fourth of the income for shelter, it frequently is impossible to secure housing that meets the minimum standards of space and health For these people there is too often no place to go but slums which have an unwholesome effect not only upon the people who live in them, but on the community as a whole Since, as has been demonstrated, slum-clearance is not usually a paying proposition, little help can be expected from private enterprise It then becomes a question of whether to approve government subsidies, either in the form of grants or tax exemption, to correct the problem Many kinds of experiments have been carried on in this country and abroad and, from a continuing study of them, we may get the data for our answer

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest HOLC, USHA, limited-dividend corporation, subsistence homesteads, social rent, greenbelt towns, Radburn, New York Housing Law, co-operative housing

INFORMATION, PLEASE!

2 **a** What were the purposes of the HOLC? **b** Explain the housing developments of the Public Works Administration **c** What was the purpose in establishing subsistence homesteads? **d.** Describe the plan of Greenbelt, Maryland, and show what influence these rural-urban communities will have on the future expansion of our cities **e** Show how the United States Housing Authority has assisted local public housing authorities to build houses for low-income groups **f** Why is the New York State Housing Law considered a landmark in housing legislation? **g.** Is the Radburn experiment a contribution to the problem of housing? Why? **h** Compare co-operative housing enterprises with those built by private philanthropy

CAN YOU THINK?

3 **a** How is the housing problem related to family relationships, home-making, security, health, insurance, taxation, and community planning? **b** How could our large American cities prevent speculation and control the use of the land by buying idle territory on the outskirts? **c** "We are still discussing points of the housing problem which European public opinion settled a generation ago" Why? **d** How can the problem of improving housing conditions for low-income groups be solved without first socially rehabilitating the tenants? **e** Why has co-operative housing reached its highest development in Scandinavian countries?

WE LEARN BY DOING

4 **Committee.** Get a real estate dealer to show you the procedure in buying a lot in a residential district Next get an architect to advise you on building a house Then secure a building contractor to help you draw up specification costs Finally, go through the steps of securing an FHA loan from a financing company Report your findings to the class

4a **A Special Report** Read Robert G Hudson's *Radburn, A Plan for Living* This is a stimulating account of a planned urban center for middle-class families For literature on this development write to the Radburn Management Corporation, 18 East 48th Street, New York, New York

5 **A Trip** Visit a government housing estate Talk with the manager Find out how a local housing authority works How are tenants chosen? What are rents, etc? See also Abraham Goldfeld, *The Diary of a Housing Manager* (National Association of Housing Officials, Chicago, 1938)

6 **A Written Comparison.** Write a comparison of an English Garden City (Letchworth or Welwyn), and one of the Greenbelt towns in the United States Consult *Encyclopaedia Britannica*, or Ebenezer Howard, *Garden Cities of Tomorrow*, or C B Purdom, *The Garden City* (1913), or C B Purdom, *The Building of Satellite Towns* (1925), or *Greenbelt Towns* (Resettlement Administration Pamphlet)

7 **Summary** Using the headings here suggested, summarize important state and federal housing legislation since 1933 See *Housing* (North Central Association pamphlet), pp 53-68

DATE	LEGISLATION	PURPOSE

8 **Debate** Resolved That the United States government should subsidize more greenbelt towns to relieve crowding and congestion in our large cities

WE READ FROM OTHER BOOKS

9 **General Readings.** The following readings will give you a general idea of many major factors involved in this study Consult *Homes for Workers,* Superintendent of Documents, Washington, D C, "It's Heaven, It's Paradise—Red Hook Houses, a $12,230,000 USHA Project," *Fortune,* April, 1940, *Urban Housing,* Superintendent of Documents, Washington, D C, *What Housing Can Do For Your City,* Superintendent of Documents, Washington, D C

10 **Co-operative Housing.** Consult Marquis Childs, *Sweden, The Middle Way,* chap iv, Louis H Pink, *New Day in Housing,* chap xx, Edith Elmer Wood, *Recent Trends in American Housing,* chap x, *Organization and Management of Cooperative Housing Associations* (With Model By-Laws) Bul No 608, Bureau of Labor Statistics, U S Department of Labor, Washington, D C

11 **Housing in Other Lands** Consult Catherine Bauer, *Modern Housing* (nearly 50 pages of illustrations on European housing), Elizabeth Denby, *Europe Rehoused,* H Nelson and M Nelson, *New Homes in Old Countries, New Homes for Old,* Foreign Policy Association, Headline Booklet, *European Housing Policy and Practice,* 1936, Superintendent of Documents, Washington, D C

UNIT VI

THE FUTURE OF THE FAMILY DEPENDS ON THE ECONOMIC, PHYSICAL, AND SPIRITUAL WELFARE OF ITS MEMBERS

****

16. SAVINGS AND INVESTMENT PROTECT THE ECONOMIC FUTURE OF SOME FAMILIES
17. INSURANCE IS A FORM OF SAVINGS THAT CAN GIVE SECURITY TO THE INDIVIDUAL AND HIS FAMILY
18. SOCIAL SECURITY IS A CO-OPERATIVE EFFORT OF THE INDIVIDUAL AND THE GOVERNMENT
19. PROVISION FOR HEALTH AND MEDICAL CARE IS A FUNDAMENTAL PROBLEM OF EVERY FAMILY
20. RELIGION IS BASIC TO THE DEMOCRATIC FAMILY AND THE DEMOCRATIC STATE

CHAPTER 16

SAVINGS AND INVESTMENT PROTECT THE ECONOMIC FUTURE OF SOME FAMILIES

★★★

Every society must concern itself with the economic security of its people In a democracy, the ideal is that every person have an income adequate for present needs and future security Some in our present society are able to provide for the future through savings and investment Saving is simply deferred spending, the *traditional provision for the "rainy day"*

★★★

Savings Institutions

Most of our plans for the future are built on the use of funds we have accumulated The high-school boy may save to finance a college education The office worker may save for a vacation Middle-aged people may save to retire comfortably in old age To accomplish these things it is necessary to accumulate a surplus of wealth The protection and increase of this surplus is the purpose of savings institutions

Types of Savings Institutions There are several types of institutions where we may deposit our savings We choose one in which we feel some confidence and which will pay us a certain percentage, known as interest for the use of our money The use to which the institution puts this money determines, to a large extent, the safety of our funds A high rate of interest indicates more risk than the lower rate This is a general rule to keep in mind

David F Jordan,[1] who has made a thorough study of these institutions, ranks them in regard to security or safety as follows (1) postal savings accounts (2) United States savings bonds,[2] (3) savings banks accounts, (4) savings accounts in commercial banks, (5) credit unions, (6) savings and loan associations

1 *Postal Savings Accounts* The federal government inaugurated postal savings in 1910 for the purpose of stimulating savings An account can be started at any United States post office If there is no post office near one's residence, the account can be handled through

[1] David F Jordan *Managing Personal Finances* This book is a complete guide to the problem of investment

[2] National Defense Bonds work on the same principle as these bonds.

The church is the great source of personal stability in democratic society

Farm Security Administration, photo by Post

the mail It may be started by anyone over ten years of age No one can have more than one account

The deposits are acknowledged by postal savings certificates which are issued in denominations of $1 00, $2 00, $5 00, $10, $20, $100, and $500 These are registered in the name of the depositor and cannot be transferred or sold If they are stolen or destroyed, new certificates are issued The maximum amount of any one account

Farm Security Administration, photo by Rothstein

The Federal Deposit Insurance Corporation has made banks absolutely safe for the smaller depositors No longer does a closed bank like this mean disaster for those who had kept their money there.

cannot exceed $2,500 If a person cannot buy the $1 00 certificate, which is the smallest with which he may start an account, he may purchase 10-cent postal savings stamps Ten of these may be exchanged for a $1 00 certificate with which an account can be opened The interest rate on postal savings deposits is 2 per cent a year All or any part of the deposit may be withdrawn at any time with interest at the post office at which deposits are made

Postal savings accounts have two distinct advantages they are secure and they are convenient Their one disadvantage is that they are limited to $2,500 Before 1930, the total postal savings deposits reached only $250,000,000 After the crash of 1929 and the accom-

panying bank failures, postal savings became much more popular. By 1937 the deposits mounted to a total of one and a quarter billion dollars.

2. *United States Savings Bonds.* United States savings bonds are direct obligations of the federal government with a guaranteed interest. The maturity values are $25, $50, $100, $500, and $1,000. They do not pay immediate interest to the holder. They are sold on a discount basis. For example, if you buy one of these bonds for $18.75, it will increase in value during the 10-year period so that on maturity you would receive $25. The interest rate over this period is 2.9 per cent a year. However, as the value of the bond increases faster during the last few years than during the first years, one must hold it the entire 10-year period in order to receive the full 2.9 per cent interest rate. This is the rate and price of the series being sold in 1941 as a part of the national defense financing effort.

Savings bonds are not transferable, and are payable only to the registered owner, his beneficiary, or his estate. These bonds may be purchased to the extent of $10,000 in one year by a single purchaser. The purchaser has positive knowledge that he can redeem his bonds at any time for at least the purchase price, plus the interest for the period of the investment.

3. *Savings Bank Accounts and Savings Accounts in Commercial Banks.* (a) *Savings Banks.* Savings banks are, in most cases, mutual institutions. Every depositor shares in the earnings of the bank in proportion to his deposits. These institutions accept nothing but savings owing to the fact that they must have long-term deposits. This makes it possible for the banks to invest in long-term securities which pay favorable rates of interest. The purchase of these securities is regulated by state law. In the state of New York no savings bank can invest in stocks, foreign securities, or any corporation securities except railroads and public utilities. Because of the strict legislation covering these institutions, there has been no loss to the depositors since 1911. As a result, they have been extremely popular. Eighteen states have legalized this type of bank. In January, 1936, there were 14 million accounts, amounting to 10 billion dollars in 574 banks. The interest rate, prior to 1930, varied from 3 to 5 per cent. However, in New York this had dropped to 2 per cent in 1936. The maximum size of each account is generally around $7,500. (b) *Savings Accounts in Commercial Banks.* The most common and popular place where people deposit their money is in the commercial banks of their community. These banks carried the bulk of the nation's savings ac-

counts prior to the depression, although they later lost favor because of the numerous failures of this type of bank. They are now regaining the confidence of the people because of the Federal Deposit Insurance Corporation, which guarantees their accounts This corporation is a federal agency which insures savings accounts up to $5,000 Thus, one may feel a certain degree of security when depositing savings in a commercial bank This insurance plan is also active in savings banks.

The commercial bank does not place a maximum limit on the savings accounts During normal times these banks can use all the money that they can obtain They make their profits by lending funds to industry and business There is more risk in this type of investment than there is in the investments of savings banks Under ordinary circumstances, added risk means a higher rate of interest However, the commercial bank is a stock-holding enterprise and the result is that the rates of interest to the depositor in the commercial bank have been between 2 and 4 per cent, and since the depression they have dropped to an average of 1½ per cent Both the commercial and the savings banks have the right to require a 60 or 90 day notice before withdrawal This notice is very seldom demanded of the small depositor, but applies especially to the large depositor The withdrawal of a large amount at one time would seriously hamper the industrial lending if such withdrawals were made without ample time to arrange for them

A plan for stimulating savings in commercial banks is the formation of savings clubs for specific purposes, such as Christmas savings clubs, and travel savings clubs These are treated as regular savings accounts The major difference is that a specific amount must be deposited at stipulated intervals for an allotted period of time This is a decided advantage for many persons, because it provides for an orderly way of saving a specific amount of money for a definite purpose Some banks have included insurance accounts which provide for the same orderly saving with which one can meet large premium payments which fall due once a year

4 *Credit Unions and Savings and Loan Associations* Credit unions and savings and loan associations cannot be classified as banks, nor are they pure investments They may be called investment associations for long-term savings The credit union's primary function is making personal loans It acquires its capital by selling shares of stock to its members These shares generally pay 5 per cent on the money invested The safety of such investment depends upon the

management of the enterprise and the group morality of the members. A disadvantage is the difficulty of converting the shares into cash in times of emergency.

Savings and loan associations are similar in this respect to credit unions. They, too, are long-term savings ventures. These savings organizations are generally managed by local businessmen. The largest shareholders control the policy of the association. The loans made by these organiaztions are usually first mortgages on real estate. As a result, they have become known as building and loan associations. The interest normally paid ranges from 3 to 7 per cent on the money invested.

With the real estate slump of the 1930's, many of these associations failed and millions of depositors are still waiting to realize on their investment. They have been slow in repaying their depositors because the mortgages which they hold cannot readily be turned into cash for their full value.

Under ordinary conditions shares in these associations are not easily sold when cash is needed by the holder. The shares cannot be turned into cash with the speed that shares or bonds of nationally known corporations can. The shares of solvent savings and loan associations can be insured in the Federal Deposit Insurance Corporation up to the maximum of $5,000 for each shareholder. As a result, these associations are now a safe depository for long-term savings.

INVESTMENT

Most of us use savings institutions as depositories for funds until we accumulate enough to invest in some type of security. We want to increase the earning power of our money. If a bank pays us 2 per cent on our savings, a bond will pay 4 or 5 per cent. As there is no such thing as an absolutely safe investment, there is a varying element of risk in all of them, which cannot be eliminated. Therefore, it is necessary to know how to cut this risk to the minimum. It is not always wise to rely on the judgment or the word of a salesman or customer's man, as their business is to sell securities.

What Is a Safe Investment? Safety of an investment will depend upon your knowledge of the way the enterprise in which you invest is managed. If you are buying national, state, or municipal bonds, it is well to know whether or not the use of the money is wise. If you buy stocks or bonds of a private corporation, you will not get immediate returns unless the corporation is producing. New ventures, which must go through the stage of development, generally are a

greater risk. Sometimes they never reach the production stage. Before investing be sure that there has been a continual span of years of profitable production. If the particular industry has not reached a point of saturation,[1] it is reasonable that it will continue to pay dividends.

If you buy public securities, it is well to check the past records of the community. It would be unwise to invest in the bonds of a community if (1) there is any evidence of unfairness to the bondholder, (2) if it has withheld interest, or (3) if it has ever repudiated any of its bonds.

In buying securities in a private corporation, there are several things to take into consideration. Assume that you are planning to buy securities in the American Telephone and Telegraph Company. It is the largest communication service corporation in America. It has constantly improved its service and has many laboratories throughout the country doing research and experimentation in its particular field. If there are improvements in the field of communication, it uses them. The personnel of the American Telephone and Telegraph is possibly one of the most highly trained in the country. The management has had technical as well as administrative experience. Moreover, it has built a large cash reserve so that it can pay dividends, carry on experimentation, and make replacement. This company meets three essential requirements for safety in an investment: (1) the quality of their service is the best, (2) the management is excellent, and (3) the financial conditions of the company are sound. These qualities lead to safe investment.

Types of Investment. The safest type of private security is the first mortgage bond. It is backed by the assets as well as the earnings of the enterprise. If the corporation should become insolvent or bankrupt, these first mortgage bonds are the first to be repaid when the company's assets are sold. Following, in order of safety, are those known as unsecured debenture bonds. These bonds have second claim on assets. Both the first and second mortgage bonds are notes stating that you have loaned money to the corporation. They are to be repaid at a specified time at a specified rate of interest. They do not represent ownership in the corporation.

Stocks are shares in ownership. The preferred stock follows the bonds in the degree of safety. It has first claim on the earnings of

[1] The point at which they cease to increase production, or where production begins to decrease, thereby decreasing profits and dividends.

the corporation. Common stock, as an investment security, is the poorest of them all because of the risk involved.

In making investments "one should not carry all his eggs in one basket." All investments have an element of risk, which is lessened by spreading investments over a large number of corporations or communities. Because one corporation seems to be the best risk at a particular time is no reason to place all your capital in that one. To invest in a dozen good risks is a much safer plan.

The Income of Investments. One of the first questions asked by the investor is, what amount of income will his capital earn. This seems to be the important factor of investment. However, as income increases, the risk involved also increases. Most of the losses that one must take are due to wanting too much income.

An excellent investment is one that will pay around 5 per cent income over a period of years. However, this income is difficult to get, as the annual rate of return varies with the demand for capital. If the demand is high, the rate of income is also high. When the demand is low, as during periods of depression, the rate of income likewise is low. The latest low-rate period of income has been during the 10 years from 1930 to 1940.

The highest grade investments are United States bonds, which pay as high as 4 per cent interest. Next in grade are the best bonds of private corporations that pay 5 per cent. These are considered safe investments, but are less secure than the United States government bonds. However, it is this 5-per-cent-income class which is generally the most popular with the investor. But many investors will take a chance on 6 per cent bonds although the degree of safety is much smaller. Preferred stocks will give an income of 5 to 7 per cent.

The interest rate of United States government long-term bonds is considered to be the best possible index of risk. Any security having twice this rate is considered to be too risky to be worth considering. Thus, if the existing rate of United States government bonds is 3 per cent, any bond paying 6 per cent is considered too risky to buy as an investment. The ease with which a bond can be converted into cash, and the sacrifice taken in such a transaction, are important items to the investor. To the bank making a loan on the securities, they are more important than the question of safety. Thus, it is advisable for the investor to limit his investments to well-known corporations and nearby municipalities. Above all, the bonds purchased should be listed with the Securities Exchange Commission.

Public and Private Securities

United States Government Bonds The United States government bonds are the safest investments in this country, as the federal government has never repudiated any of its internal debts This policy was started by Alexander Hamilton when he convinced the federal government that it should assume all debts of the constitutional government in 1789, and we have never varied from it United States government bonds are payable by the tax revenue of the United States The national debt, although it is now higher than it has ever been in the history of the nation, is not beyond the capacity of the government to pay

The security of public bonds can be tested as follows

1 the ability to pay
2 the willingness to pay
3 the legality of the debt

According to this test, United States government bonds have the highest financial rating

There are three types of United States government bonds that are being offered for sale at the present time These are the United States government bonds, treasury notes for short terms of 1 to 5 years, and treasury bonds of terms from 5 to 25 years The chief advantage of these bonds is their high degree of safety and ease of resale They are exempt from taxation Their major disadvantage is the low rate of income This rate varies from less than 1 per cent on the short-term notes to 3 per cent on the long-term notes

State and Municipal Bonds State bonds are second only to federal bonds in rating as investments They are secured by the tax collections of the state These bonds are not guaranteed by the federal government, and because of this they vary in quality New York is the only state which permits the bondholder to sue because of default in payment The outstanding test of the state bond is the willingness of the state to pay State bonds are also exempt from federal income tax In respect to the advantages and disadvantages, these bonds are very similar to federal bonds Their chief advantages are safety, marketability, and tax exemption Low return of income is to many their chief disadvantage

Municipal bonds are generally considered good investments although there are many variations of quality They are secured by the local tax revenue and the municipality may be sued to enforce

payment of obligations in default The ability to pay is based upon age of the city, the size of the city, and the ratio of debt to property value The older cities generally have financial stability Large cities may be compared to great corporations with their many diversified activities which tend to give security The debt of the city should never exceed 10 per cent of its assessed property value Willingness to pay can best be judged by the record of default

Municipal bonds like the federal and state bonds are exempt from federal and state taxation Their safety may be judged by the above rules Like other public bonds they have comparatively low rates of income

Public Utilities as an Investment Since the World War, railroad securities have ceased to be the best investment among the private corporations The railroads have been unable to withstand the competition of the trucks, buses, and aviation They are a perfect example of an industry that has passed the saturation point Railroads, at one time, had almost a complete monopoly on transportation This is no longer true If one should be tempted to buy railroad bonds, he should buy those of the older and larger lines These purchases should also be of the type that have first claim on payments, such as first mortgage bonds, other types are considered poor risks

Strictly speaking, the public utilities group is composed of gas, electricity, water, telegraph, and telephone services These do not have uniform investment values, because of certain rate restrictions which are placed in their franchises In some cases, the state places so many restrictions on utilities that a reasonable return of earnings is impossible During the first two terms of Franklin D Roosevelt's administration, a program of government competition and price-setting, by such public organizations as the Tennessee Valley Authority, was inaugurated This competition forced down the rates of the private utilities companies, thereby reducing their earnings Public utilities are also assuming a definite tax burden which decreases their earnings But, with all these seeming handicaps, the larger utilities companies of the nation are well above government bonds in earnings

Other Types of Securities The average industrial stock is the least secure of all investments It is likely to rise and fall with little notice The corporation lawyer works on the theory that all industrial concerns will fail sooner or later Over a long period of time this is frequently true Thus, the industrial stocks do not have the first neces-

sary quality of an investment—safety over a long period of time. The average investor should avoid common industrial stocks.

Mining and oil stocks cannot be considered good investments This is due to the great risk in such securities You may have heard of someone who has made millions by buying oil or mining stocks for a few cents a share This exception may be true, but for each of these successes there have been thousands who have lost everything they owned To buy such securities is speculating, not investing Never forget that good investment should cut the element of risk to a minimum

Before the depression, bank stocks did not appeal to the average investor He could not buy them because they were held mostly by wealthy persons or estates However, the depression has caused the sale of some large blocks of stock As a result, they have become more accessible to the public With the regaining of confidence in investment, these stocks are viewed with some degree of favor Banks with conservative management and good dividend returns are considered good investments The general feeling is that they are too high priced Their actual worth as an investment purchase can be figured from the value given to them on the last bank statement They are rarely worth more than one and one-half times this stated value.

Investment trusts have been in operation in the United States for the past few years These are companies formed to do the investing for people who do not wish to trust their own judgment in selecting securities The person who uses this manner of investment does not actually buy the various securities through these trusts, but, rather, he buys stock in the trust After deducting a charge for their services, the investment trust pays the balance in dividends to holders of their stock Thus, you see that such companies give one of the necessary factors for security of investment—that of spreading investments over a large field However, their charges have been so great to the purchaser that this factor is more or less offset One of the disadvantages of this type of investing is that these companies have been more interested in speculating than in investing But there is no reason why these concerns should not be advantageous to many if they have good management

Conclusion. In buying securities one can buy through an investment house or a bank If one has no account in an investment house, the best plan is to buy through your bank There is no charge for purchasing new issues, the charge on older issues varies from five

cents a share to five dollars a bond The Federal Securities Exchange Act makes it imperative to tell all about the security in the prospectus It outlaws manipulation that would artificially influence prices In buying securities the best plan is to keep clear of the high-pressure salesman who guarantees riches overnight

Stock speculation is always a gamble If you are willing to take the losses of gambling and you can afford to take these losses, then speculate However, never confuse this practice with investment The New York Stock Exchange is not an investor's market, but, primarily, a speculator's market The securities on the exchange are bought and sold on the basis of their degree of popularity, rather than real value "Practically all informed observers regard stock speculation as an unbeatable game Those who believe that someone else must gain what one person loses overlook the enormous brokerage and tax charges that are imposed on all buyers and sellers of securities Ultimately even the most fortunate traders in stocks learn that, in security as in all other speculation, the difficulty is not so much in making money as it is in keeping it "[1]

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use the following words in relation to the ideas of social living they suggest savings banks, credit unions, savings and loan associations, interest rate, savings clubs, negotiable, point of saturation, first mortgage bond, common stock, risk, conversion, industrial stocks, stock speculation

INFORMATION, PLEASE!

2 **a.** What are the various institutions in which we can deposit our savings? **b.** Why have Postal Savings increased so much since 1929? **c** What is the guarantee the holder of United States Savings Bonds has that no other bondholder has? **d** What is the difference between a savings bank and a commercial bank? **e** Why do savings clubs stimulate savings? **f.** What are the disadvantages of Loan Associations and Credit Unions as savings institutions? **g** What is a safe investment? **h** What is the difference between a bond and a share of stock? **i** What rate of interest does an excellent investment pay? Why is it pegged at this particular per cent? **j** What is known as the index of a safe investment? **k.** Why is ease of conversion an important element to consider when buying securities? **l.** What are the tests of a good public security?

[1] David F Jordan, *Managing Personal Finances*

CAN YOU THINK?

3 **a** In what institution would you place your savings? Why do you select this one rather than any of the others? **b** What change has been brought about in regard to the security of savings since 1929? Why was this innovation found necessary? **c** In buying bonds or stock, why must you consider financial conditions, whether or not the concern is producing, and whether or not it has reached the saturation point? **d** As the interest received on an investment rises, the risk involved also rises Explain fully **e.** The railroads are considered beyond the saturation point Explain why this fact has caused railroads to be considered a poor investment in general? **f** The statement has been made that there is no such thing as a safe investment Discuss the truth of this statement

WE LEARN BY DOING

4 **Table.** Make a table showing the increase in value of United States Savings Bonds over a 10-year interval Use half-year steps in this table, *e g*, 1-1½ years, 1½-2 years, 2-2½ years and so on to 9½-10 years, maturity Give information on bonds costing $18 75, $37 50, $75 00, $375 00, $750 00
5 **Table.** Make a table of all types of investments Arrange in order of safety, showing interest generally received
6 **Investment Program** Plan a $10,000 investment program What portion of this amount would you spend on various types of investment? Give reasons for choosing the investments you do What annual income would your plan produce? What degree of safety would it have?
7 **Written Paper** Write a paper explaining the following statement A good investment should be safe, yield a regular income, and be easy to convert into cash
8 **Essay** Write an essay on "History, Purpose, and Development of Postal Savings"

WE READ FROM OTHER BOOKS

9 **General Readings** H Blodgett, *Making the Most of Your Income*, K Goodman and W Moore, *Economics in Everyday Life*, chap xx, E Gras, *Descriptive Economics for Beginners*, chap xxiv, D Jordan, *Managing Personal Finances*, chaps vii-viii, D Jordan, *On Investments*, H Ridger, *Problems in American Democracy*, chap vi, H Patterson, A Little, and H. Burch, *Problems of American Democracy*, chap xv, H Shields and W Wilson, *Business-Economic Problems*, chap xii, A Smith, *Your Personal Economics*, chaps xix-xxiii, A ZuTavern and A Bullock, *Functional Business Information*, chaps viii, x

CHAPTER 17

INSURANCE IS A FORM OF SAVINGS THAT CAN GIVE SECURITY TO THE INDIVIDUAL AND HIS FAMILY

★★

To many people insurance is the only possible way of building an estate as a guarantee for old-age security and for emergencies Its returns are not as great as those brought about by rigorous saving and expert investment However, many people are neither careful savers nor expert investors These people should develop a sound insurance program

★★

Insurance Companies

The average man has a distinct need for some type of insurance If he lives to old age, he will have need for funds when his working years are over If he dies early in life, there are debts to be paid and his family to be cared for If he goes into business, insurance offers good security for borrowing Marriage brings responsibilities that require savings and funds for emergencies Insurance provides both of these Thus insurance is a form of savings, builds up credit, and sets up an estate with which we may protect our dependents Added to these basic reasons for insurance is the fact that it does away with amateur investing and places the investment program of the individual in the hands of large companies who have been extremely successful for a long period of time

The Size and Function of Insurance Companies. As size and safety have been to some degree synonomous in the insurance business, it is well to know something about the sizes of the various companies. These companies are not only expert investors They are also the largest investors in the United States The total assets of the 300 insurance companies of the nation amount to $23,000,000,000 The amount of insurance they have in force is $111,000,000,000 Of this group of 300, there are 5 companies doing one-half the business, namely, the Metropolitan Insurance Company, the Prudential Life Insurance Company, the New York Life Insurance Company, the Equitable Life Insurance Company, and the Traveler's Insurance Company By adding 5 more names to this list we have the 10 companies which do two-thirds of the total insurance business of the

nation. This additional group is the Mutual Life Insurance Company of New York, the Northwestern Life Insurance Company, the John Hancock Life Insurance Company, the Mutual Benefit Insurance Company, and the Penn Mutual Life Insurance Company.

These companies have two very definite functions. In the first place, they have the task of selling insurance. This does not mean that they try to sell to everyone they can find. They must consider the risk involved in the prospective buyer's occupation. They have different rates for different occupations. It costs an aviator or a mining engineer a great deal more to buy the same amount of insurance than it does a school teacher. Another part of the selling or underwriting function is to decide what type of policies they will sell. When this is decided, they must compute the cost to the insured. This annual cost is known as the premium. This is the amount you pay for the insurance you have. It is generally figured on "so many dollars per thousand."

The other function of an insurance company is the investing function. The reserves which the policy-holder pays are invested by the company. The profits of the insurance company are determined by the success of these investments. If they are successful, the policy-holder shares in profits through dividends. The safety of these investments is determined to a large extent by the way in which they are distributed. This amount of distribution depends to some extent on the amount of money the company has to invest. Thus, it is prudent to take your insurance in a large company with large assets and a good investment record over a period of years.

Types of Insurance Companies. Most life insurance companies are mutual companies. They are theoretically owned and operated by the policy-holders. In reality, most of them are controlled by a small group representing the management. Nevertheless, the policy-holders participate in all the earnings of the company. All insurance companies chartered in the state of New York must be mutual companies.

The contracts under which mutual policies are written have several clauses that are peculiar only to this type of company. The policy-holder is not subject to assessment. The premium rate cannot be raised above the one stipulated in the policy. As dividends are liable to increase, the net amount payable by the policy-holder is reduced. The reasons for dividend increases may be good management, increased income through investments, or a decrease in death rates. However, the amount of the dividends cannot be predicted.

Stock companies are owned and operated for the welfare of the stockholders. If the policy-holder is allowed a share in the dividends,

it is a definitely stipulated amount, determined by the stockholders

Practically all mutual and stock companies are known as legal reserve companies They must at all times keep a reserve in cash on hand so as to cover all losses and expenses They fix the cost of insurance at the time of issuing the policy and do not vary from this price This is known as the fixed premium These premiums are invested so that they can produce the face value of the policy in the time stipulated A part of the early premiums builds up a reserve for the later years The insurance company uses this reserve for an investment fund which produces a guaranteed rate of interest during the life of the policy The fund is considered the property of the individual and can be used by him with certain restrictions Ninety per cent of the insurance in force today is the legal reserve type

The smaller companies function on an assessment basis The premium fluctuates, depending upon the expenses and claims of the company There are no reserves accumulated by the policy-holder The security of the policy depends on the payment of future assessments As these claims increase, as the insured becomes older, the premium generally increases

How the Money from the Premiums Is Invested The present total investments of the insurance companies are about $20,000,000,000 In such an investment program there is great need for skill and integrity The government has also added safeguards to the insured by the passage of very strict legislation governing the type of investment

The insurance companies can generally make a definite estimate of the funds they will need to meet the claims against their policies The investments are planned so that this money is always available Almost all insurance companies invest in tangible property A great part of their holdings is in mortgages and mortgage bonds Thus, if interest on such holdings is not kept up, the company has the right to take over the property

Insurance companies invest in the following manner Generally about 40 per cent of their investing capital is in urban and rural mortgages About 25 per cent of it is in railroad and utility bonds Fifteen per cent of their capital is tied up in loans to their policyholders Bonds of the federal, state, and municipal governments comprise about 10 per cent of their investments The remainder, 10 per cent, is in bonds and stocks of sound corporations This type of investment cuts the risk of loss to a minimum Compare these investments

with those mentioned in the preceding chapter and you will see that 90 per cent of them are of the safest kind

These regulations on investments are applicable to all companies chartered in the United States Only one large company selling insurance in this country is not completely controlled in this manner, the Sun Life Insurance Company of Canada Being a foreign corporation it is allowed to invest the largest portion of its capital in stocks Because of this, it offers larger dividends to the policy-holder, but he must realize that these dividends are obtained through a greater investment risk.

Premium Charges. When an insurance salesman tells you that he can give you a policy at $20 a $1,000, why should the premium be $20?

There are certain charges included in this premium In the first place, the basic charge is figured on how long you are likely to live This is estimated on the American Mortality Table which is computed on the death statistics of the country over a long period of time The present estimate is that if you are one of the select group on which the insurance company will take a risk, you will more than likely have a life span of at least 70 years

The second factor to be considered in figuring the premium is the amount of interest obtained by the investment of these premiums This is more difficult to compute for, though the investment policy of the company is governed by law, investments yield varying rates of return

The third factor figured into the premium is the expense of the company Included in this are the operating expenses, salaries, rent, taxes, death risks, and commissions of the salesman The largest single item is the commission of the salesman

The premium costs of all policies are mathematically equal The younger man pays low premiums over a long period of time The older person pays over a shorter period, hence, his yearly premiums are higher The same is true of different types of policies A short-term endowment policy has a higher annual cost than an ordinary life insurance policy But the total payments made on both are practically the same

Optional Features Found in All Insurance Policies All insurance policies contain certain optional features The most common of these options is the manner in which the insurance is paid to the beneficiaries of the policy The usual form of payment is in a lump sum If the policy matures or the insured dies, the face value of the policy is turned over to the one named as beneficiary Only a few realize that several other methods or options may be used The first option

is having the insurance paid to the beneficiary in annual installments over a period of years. This plan is used by many to guarantee educational funds for their children. For example, a man takes out $5,000 worth of insurance to cover the college education of his child. He makes the stipulation that the money shall be paid in four annual installments of $1,250, starting September 1, of the year his child is ready to enter college. This plan makes it much more certain that this fund will be available in portions large enough to cover expenses for the entire four years of college. It acts as a safeguard against spending the entire fund in a shorter period. In addition to the original $5,000, the portion that remains in the hands of the company draws interest, which is added to the later payments.

Another option that can be used leaves the entire insurance in the hands of the company. The interest is generally paid in monthly installments to the beneficiary to the end of his life. Then upon the death of the first beneficiary the original amount of the insurance is paid to a second person or an institution named in the policy. This plan is not practical on amounts less than $40,000.

A third option is to pay the entire insurance to a financial company under a formal trust agreement. In this way the company takes care of the trust fund, paying the dividends to the beneficiary. These are the three basic options. There can be other options developed through combinations of any of them. There may be the payment of monthly installments instead of yearly ones in the first option. In this way many men set up monthly incomes for wives who would not budget wisely. If none of these systems is used, the insurance is paid immediately upon the death of the insured. It does not have to be probated as does the rest of a man's estate, nor is there any federal tax on amounts below $40,000.

There are other features besides the selection of an option. The first of these is known as incontestability. If you have a policy in effect for two years or more, the company cannot refuse payment in case of death unless the premiums have not been paid. This has been applied to all types of insurance. However, this does not mean that the company cannot specifically stipulate the exact circumstances when they will pay more than the face value (as in the case of double indemnity[1] clauses for accidental death).

Another feature that is included in all legal reserve insurance is

[1] For a small amount of additional premium, a person can receive twice the amount stipulated in the policy in the case of accidental death. This is known as double indemnity.

the paid-up feature. When you stop paying premiums before a policy is mature, you do not lose all that you have invested. There are three alternatives you may take: (1) a paid-up policy for a small amount, the amount to be determined by the number of premiums you have paid, (2) or you may take the same amount of term insurance paid up over a period of years, (3) or you may take the cash which you have accumulated in your reserve. This last alternative is known as the cash surrender value of the policy.

All policies have a one-month period of grace in regard to premium payment. The insured has one month after the anniversary date in which to pay his premium. During this time the policy is in full force. There are no penalties or forfeitures because of this 30-day period.

These features protect the insured and make possible the confidence the general public has in insurance. People have trust in insurance because of the years of integrity and service that insurance companies have given the American public. Like so many of the institutions that so vitally affect us, insurance depends upon the integrity of men and upon reasonable regulation by government.

Types of Insurance Policies

Fraternal Insurance and Other Types of Assessment Insurance. A great many lodges and fraternal organizations make a provision that on the death of a member, his family will receive a stipulated sum. The sum will vary from a few dollars to one thousand. The organization gets this sum through the assessment of its members. Whether or not it becomes a drain on the living members is determined by the number of deaths in the lodge in any given year. Epidemic years are particularly hard. Another manner in which fraternal organizations meet such death payments is by including in the dues an additional sum estimated on the probable death rate. If they fall short, special assessments on the members are made.

One of the greatest faults in such a system is that there is no selection of risks. Every member is entitled to the death benefit. His health was not considered when he was admitted to the lodge. The members generally find that the assessments increase as age increases. There is no possibility of remedying the situation by building up reserves in the younger years to take care of what will happen later. Thus when the wage-earning ability of a man decreases, the cost of his insurance increases if it is of the assessment type.

Some of the smaller insurance companies have tried this type of insurance on a scientific basis. The mortality tables are used to de-

termine assessments. However, they have the same handicap the lodges have—the assessment cost increases as the insured becomes older. In some cases these become so large that when old age comes to the insured, he can no longer afford to carry this type of insurance.

Group Insurance. Group insurance is one of the cheapest forms of legal reserve insurance. It is not purchased by an individual but by a group of 50 or more persons. It is most commonly bought by an employer to protect his workers. All the employees are insured on one policy to be in affect at least one year. No medical examination is required. The amount the employee receives generally depends on the number of years' service with that particular employer. The cost of this type of insurance is based upon an analysis of the group. Such factors as age, environment, occupation, and general health of the employees are considered. The rate or premium is figured every year and it may increase or decrease depending upon the analysis.

Group insurance gives moderate death protection to those who are unable or unwilling to provide any other form of insurance. The payment of the premium may be made by the employer, the employer and the employee, or the employee. The employee is protected as long as he works for the employer. In reality it is nothing more than one-year term insurance.

Industrial Insurance. This type of insurance is the most common form in the United States. Two out of every three policies in this country are of this type. It does not take into consideration the type of employment in which the insured is engaged. The industrial policy is written in varying amounts, but the average policy is $250. It is generally written on women or children and paid for in small weekly or monthly premiums. If there are medical examinations for such policies, they are very lax.

Although this is the most common form of insurance, it is not the cheapest. The premiums are high due to the expense of collection, bookkeeping, and the high death rate owing to the lack of thorough examination. Ordinary life insurance is cheaper in $500 and $1,000 units. Many of these industrial policies lapse because of the inability of the insured to pay the weekly or monthly premiums.

Industrial insurance does have some points in its favor. It teaches people to save. It reaches people who otherwise would not carry any insurance. It gives protection to those who would not be among the selected risks of regular insurance.

Term Insurance. Term insurance is bought for a specific number of years. Many people buy it to cover a debt which they have con-

tracted For example, a man buys a home on a 10-year payment plan He carries life insurance to protect his family in case of death, but if he should die before his house is paid for, his family would lose the greater part of his estate Therefore, in order to keep his estate intact, he takes out the lowest priced insurance possible so that in case of emergency this low-priced insurance can pay for the balance due on his house Term insurance is the type that will meet his need in this case

Because of this low premium rate, term insurance is also purchased by young married men with low incomes They can buy it for 5- or 10-year periods and if their income increases, they can convert it into any other type of insurance Term insurance should not be bought with the idea of renewing it, as the rate increases with every renewal It should be bought with the thought that it is to be a stepping stone to the regular reserve building type of insurance

Ordinary Life Insurance and Limited Payment Ordinary Life Insurance. The purpose of ordinary life insurance is primarily protection in case of death It is the basic type for protection over a long period of years The premiums are figured on the entire life span to age ninety-six It is the lowest priced of the reserve building types of insurance This reserve can be borrowed by the insured in case of emergency By letting the dividends accumulate, the policy will be paid before age ninety-six At the present time an ordinary life policy, with all dividends left with the company, will endow or give its face value to the insured in approximately 37 years

An example may aid us in understanding this type of policy If, at the age of thirty, you take out an ordinary life policy of $5,000 and you pay your yearly premiums, you will receive the $5,000 cash at the age of ninety-six This, of course, is in the case that you do not allow the dividends to accumulate However, if you should permit the dividends to accumulate and be added to your reserves, the $5,000 cash will be yours in approximately 37 years from the time you took out the policy Instead of receiving the $5,000 cash at ninety-six, you will receive it at age sixty-seven Few people realize this and as a result do not take advantage of it Many persons start their insurance programs so late in life that they cannot profit by such a procedure

Another manner in which an individual may purchase ordinary life insurance is by the limited payment plan Many men realize that their high-wage period will only last for 15 or 20 years They desire to pay for their insurance during these productive years, but they desire to have the protection all their lives Their best plan is to

buy limited payment ordinary life insurance. They pay a higher premium than does the man with ordinary life insurance, but they only pay for a specified period, generally 15 or 20 years Then their policy is paid up The cash surrender value is not the face value of the policy at this time The sum which the insured has paid must be invested to earn the face value of the policy by the age of ninety-six

Still another form of ordinary life insurance that may be classed as limited payment is a single payment policy A person who has a large sum of money desires to have it form the basis of an estate which will be larger than the original sum, in case of death He may buy an insurance policy and pay for it with this large sum in one single payment Such a policy will have a greater face value than the original payment and it will be payable at death or age ninety-six

Endowment Policies and Annuities Endowment policies are those in which an individual specifies a certain time when he wishes the policy to be paid up and have a cash value equal to the face value of the policy For instance A person thirty years old desires to have $5,000 cash at the age of sixty-five He purchases a 35-year endowment policy The premiums that he must pay on this policy will be larger than on the other types we have discussed These premiums must do the same work in 35 years that premiums on ordinary life would have to do in 66 years

Short-term endowments of 10 or 15 years are being used very frequently to set up educations for children A father takes out a 10-year endowment policy for $5,000 when the child is eight years old He takes the policy out on himself because in case of death before the period is expired his estate will then receive the entire $5,000 If he does not die, at the end of the 10 years the endowment will pay the face value plus dividends, if any, which can be used to send the child to school Thus endowment policies are not only protection against death but are also definite savings plans

Endowment policies for short terms should not be taken out by young people If a man of twenty-five takes out a 20-year endowment, he receives the cash when he is forty-five He may not need it particularly at this time, but he may be in such physical condition that he will be unable to get future insurance To plan in such a manner is to plan unwisely

The Annuity. The annuity is similar to the endowment policy, but it has a specific purpose You turn over to the insurance company a specified sum of money You can do this either in a lump sum or in annual payments In return the insurance company guarantees you

a monthly income either for life or for a certain number of years The size of this income depends upon the amount you pay to the company Such a program can be started with a $1,000 policy

The purpose of the annuity is to prevent people from outliving their incomes It turns the problem of investment over to a company of experts It can be used to guarantee an income to a third party, thus preventing the unwise spending of a lump sum received by a single payment However, its most popular use is to create a retirement income from present earnings

A typical example of this last use is that of a man in his thirties earning a good salary He decides that he wishes to retire on an income of $150 a month at sixty years of age To do this he must buy a retirement income policy equivalent to $15,000 For each $1,000 he buys, he receives $10 per month income, after the maturity date This type of insurance will cost him more than any other type that he can buy, but it does not only give him death protection, it also gives him a guaranteed income from age sixty on

The cost of such a policy will be partially dependent upon the plan he chooses for the distribution of this income In the first place, he can have the income payable to himself alone until he dies In this plan all payments stop with death There is no balance paid to a beneficiary if he has not used up his reserves In the second place, there is the refund annuity which pays all that is not used during the life of the insured to a designated beneficiary Another plan is known as the guaranteed payment plan In this plan, the company guarantees to pay an income for so many years no matter whether the insured is alive or not If he dies before the payments are completed, they continue to a person he designates

The most popular plan for married people and generally the most expensive is a joint or survivorship policy Such a plan is generally set up with a $150 a month income while both are alive and when one of them dies, $100 a month for the other until death This plan can be obtained slightly cheaper by buying it in three policies instead of one, one policy for both man and wife for $50 a month income, one policy for the man for $50 income per month, and one policy for the woman for $50 a month income By buying the policies in this way the cost is reduced because the woman is included in only one and one-half policies Women's policies of this type are more expensive than men's because they have a life expectancy four years longer than men

Life Insurance Cost. We have been discussing various types of life

insurance No doubt the question in your mind now is, what does it cost? In order for you to have some basis for comparison, the following table[1] is included It is based on the prices quoted per year for $1,000 of insurance by one of the largest life insurance companies for the year 1940 Notice how the prices compare at any given age Remember that mathematically their total cost is almost identical, with the exception of term insurance

AGE AT ISSUE OF POLICY	20-YEAR TERM INS	ORDINARY LIFE	LIMITED PAYMENT 20-YEAR	ENDOWMENT 20-YEAR	ANNUITY AT 60
20	8 45–9 94	13 84–16 28	26 23	47 53	33 93
25	9 07–10 67	15 82–18 61	28 67	47 84	40 48
30	10 25–12 06	18 35–21 59	31 57	48 33	49 49
35	12 52–14 73	21 71–25 54	35 23	49 38	62 59
40	16 44–19 34	26 18–30 80	39 89	51 31	82 40
45	22 29–26 22	32 12–37 79	45 73	54 40	
50		39 97–47 02	53 09	59 18	
55		49 87–58 67	62 08	65 91	

Notice particularly in the above chart the increase in cost of insurance as one gets older This indicates that insurance should be purchased as early in life as possible If a person can complete his insurance program by the time he is thirty, confining his buying to the lower cost insurances, such as ordinary life, he will obtain more cheaply the same benefits that would come from endowments or annuities purchased in later life As he gets older, the cost rises to such a degree that it has the effect of reducing the total amount of insurance purchased.

Planning an Insurance Estate

Insurance is protection against leaving a destitute family and it is an investment It is the only way in which most of us can acquire

[1] This chart is by the courtesy of the Prudential Insurance Co of America The two figures in columns headed "20 year term insurance" and "ordinary life" represent their "modified three year plan" The first figure is the premium for the first three years Then the premium rises to the second figure from which any accumulated dividends are deducted The annuity figures are based on a $1,200 unit instead of a $1,000 unit This makes possible the payment of $10 a month per unit from age sixty on

an estate immediately If you take out a policy for $1,000, you have an estate of $1,000 when the first premium is paid This is not true in any other form of investment Through ordinary savings, at the same rate as your premium costs, it would take 40 years to create the same estate of $1,000 You can build an estate more rapidly through investment in bonds than you can by placing the funds in a savings bank But even in this case you would not acquire an estate with the speed that you would through insurance

How Much Insurance Should One Carry? There is always the problem of how much insurance one should carry One of the outstanding disadvantages of insurance is that many people carry too much If you were to talk to some of your older friends, you would find that their insurance programs set up incomes as large as or larger than their working incomes In order to do this, they have become "insurance poor" So much is spent on insurance premiums that they have to forego many of the pleasures of today preparing for tomorrow A good plan to follow is to spend a certain percentage of your income on insurance. This percentage should give an income or an estate somewhere in keeping with the actual working income The following table shows how this can be done in a general way

INCOME	PER CENT OF INCOME FOR INSURANCE	ANNUAL OUTLAY FOR INSURANCE
$1,000	2 to 3½%	$ 20 00 to $ 35 00
1,200	3 to 4½%	35 00 to 54 00
1,500	3½ to 5%	52 00 to 75 00
1,800	4 to 5½%	72 00 to 99 00
2,000	4½ to 6%	90 00 to 120 00
2,500	5 to 6½%	125 00 to 162 50
3,000	5½ to 7%	165 00 to 210 00
3,500	6 to 8½%	210 00 to 297 00
4,000	6½ to 9%	260 00 to 297 00
4,500	7 to 9½%	315 00 to 427 50
5,000	7½ to 10%	375 00 to 500 00

Expenditures at the above rate will give a retirement income or estate conservatively comparable to the income one receives during his lifetime An individual should not ask for more from any investment or savings plan

The Security You Receive. In building an estate with insurance, one is certain of definite features He knows that his money is safe The insurance companies of the United States have had a remarkable record of safety up to and including the present time He also knows

that his money is earning 3 to 3½ per cent, which is twice as much as it can earn in most banking institutions There is also a possibility of earning in excess of 3½ per cent. Another feature which is important is that he knows just how much must be paid each year and can plan for it In the end when death comes, there is going to be no legal procedure or waiting to get the funds The beneficiaries are paid immediately on proof of death

How Are You Going to Select an Insurance Company? Several items must be considered in buying your first policy The past actions of a company are often indicative of what will happen in the future This is the first thing to consider in choosing an insurance company Secondly, the company should have a conservative investment policy You are buying an estate and you will want it to be safe In the third place, the company should always consider the policy-holders as their most important obligation Fourth, the mortality rate of the company should be investigated A high percentage of mortality either heightens the risk of the company or lessens the amount of the investment funds Finally, consider the basic cost of the policy and compare it with the other reputable companies The basic cost is the cost of the premium after the dividends have been deducted If there are no dividends, the premiums represent the basic cost If you have more than one policy, do not hesitate to have them in different companies

How Are You Going to Select a Policy? Selecting a policy is definitely a personal question Nevertheless, there are certain factors that must be considered by the individual You must decide how the insurance is to be used, whether it is for protection or for an estate for retirement You must consider your present and potential income Most young people start with small incomes which grow as the years go on This means buying of cheaper types in the early years and then as the income becomes larger shifting to endowments or annuities

For immediate low-priced protection, term insurance is by far the best Ordinary life is the next in cost It gives not only protection but also takes care of future obligations When the earning span is limited to a certain number of years, the limited payment plan is advisable The endowment and annuity have higher annual cost and are to be used when accumulation of funds for special purposes or retirement is the aim

No matter what type or types you buy, there should be a definitely planned program You should know exactly what this program will do How large this program is to be, is dependent again on the individual What is your capacity to save? What about your willingness

to save and what standard of living do you want to maintain? Do you feel a definite responsibility to take care of your dependents in case of emergency? What about the cost of living? How many dependents have you? All these questions will affect the size and amount of your insurance program Only you will be able to answer them when the time comes

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest risk, distribution of investments, mutual companies, assessment, legal reserve, fixed premium, claims, beneficiaries, option, incontestability, retirement income

INFORMATION, PLEASE!

2 **a.** Is there a relationship between safety and size of company in the field of insurance? **b.** What are the two functions of an insurance company? **c.** Why is the safety of insurance dependent upon the investment policy of the company? **d** What is the difference between a mutual company and a stock company? **e** In what manner can an insurance company invest its funds? **f** Upon what basis are premiums figured? **g.** What is meant by the incontestability of a policy? **h** What types of insurance do not include the physical examination of the insured? **i** What is meant by double indemnity? **j** What is the difference between ordinary life and limited payment life insurance? **k** What is the major purpose of an annuity? **l.** What are the various methods of handling annuity payments?

CAN YOU THINK?

3 **a.** The average man has a distinct need for insurance Explain the full meaning of this statement, including in it the various uses that insurance has **b** Suppose that in choosing an insurance company, you decided upon a mutual company Give the reasons for this decision by comparing it to a stock company **c** Explain fully the statement that all types of insurance cost practically the same when considering the total cost **d** Why would an individual buy an endowment policy rather than ordinary life insurance when the latter would be a cheaper means of protection in case of death? **e** What considerations would you have to include in making your individual insurance plan? **f.** One of the major disadvantages of insurance is that many individuals become "insurance poor " What is the meaning of the above statement? Explain in detail how such a situation arises

WE LEARN BY DOING

4 **Table** Make a table of the 10 largest insurance companies in the United States List their assets in descending order

5 **Talk** Give a talk on "How Can Insurance Options Be Used To Best Advantage?" Include in this talk the various uses of the paid-up feature

6 **Research Project.** What legislation concerning insurance companies is there in your state? What type of inspection is there in your state?

7 **Program** Map out an insurance program for yourself, taking into consideration **a** all types of insurance, **b** the types you would use and why you would use them, **c.** what you would expect the program to do for you, **d** the cost of the program at the prevailing premium rates, **e.** why you think that you could financially manage it

WE READ FROM OTHER BOOKS

8 **General Readings** T Carver and G Adams, *Our Economic Life,* chaps xxi-xxii, E Gras, *Descriptive Economics for Beginners,* chap xxii, S Huebner, *Life Insurance*, D Jordan, *Managing Personal Finances,* chaps xii-xiii, H Kyrk, *Economic Problems of the Family,* 255-93, J McLean, *Life Insurance*, W Schnedler, *How To Get Ahead Financially,* 98-153, H Shields and W Wilson, *Business-Economic Problems,* chap vi, A Smith, *Your Personal Economics,* chaps xv-xviii, A ZuTavern and A Bullock, *Functional Business Information,* 248-61, M and E Gilbert, *Life Insurance, Investing In Disaster*

CHAPTER 18

SOCIAL SECURITY IS A CO-OPERATIVE EFFORT OF THE INDIVIDUAL AND THE GOVERNMENT

★★★

The great majority of the American people are not able to provide for security through savings or insurance. To make such provisions a surplus income is necessary and that is something they do not have The crippled, the aged, the unemployed must be supported, as they have been in the past, by society This may be done by their families, by charity, or by some agency of government

★★★

The Federal Government and Social Security

Whose job is it to see that those who are unable to support themselves get the food, care, and shelter they must have to live? In other

Farm Security Administration, photo by Lee

To these people old age has meant insecurity and want To overcome this challenge of democracy the Social Security Acts were passed

words, whose job is it to provide social security? The lord of a manor in the middle ages would have answered that it was part of his feudal

duty One of the eighteenth century English factory owners Adam Smith wrote about would have replied, "It is everyone's duty to look after himself " Not so very long ago most people would have said, "If the family is unable to care for those who must be helped, let the private charities do it " Today in most civilized nations providing social security has become a job for the government

Acme

In these files in Washington are the names of all of the people who will receive old age benefits under the social security acts. They symbolize what has been done to meet the challenge of insecurity in old age.

For these various answers to the same question there are many reasons Since the Industrial Revolution when every man was supposed to have an opportunity to reach the top of the economic heap, the people who were successful were apt to look upon the failures as shiftless They thought of the problem of insecurity as just another example of the old fable of the cricket and the ants However, as it became clear that people were not always able to take care of themselves, no matter how energetic or willing they might be, this attitude changed

In the United States the depression years brought home to us the fact that shiftlessness and insecurity were not just a matter of simple

cause and effect Too many of us had lost our own security And the causes were economic forces completely beyond our control Then we, as the people of Europe had done some half century before, began to ask the government to take over the problem of social security

The Social Security Law. By definition social security is a plan by which people who have passed the productive period of their lives are supported by savings which have been accumulated from their earnings In 1937 Congress passed a law to make this part of the service of the government This federal aid was set up in the legislation known as the Social Security Act It not only helps those who cannot provide for their old age, but also gives assistance to those who are unable to work, and to the unemployed Finally, it supplies funds for protecting the health of the insecure

The Social Security Act has five divisions Four define the various types of aid and the fifth provides for the administration of the act The most important division sets up a program of federal old-age insurance This provides for a retirement income at age sixty-five The second division is concerned with unemployment insurance, while the third deals with the handling of public assistance funds The fourth deals with public health The final division concerns the manner of administration and the financing of the plan

Separate from the Social Security Act are laws governing workman's compensation This type of security was created by earlier laws However, as it is most certainly a part of the general security plan, it has been included in this discussion

The amount of insurance the workers will get under the Social Security Act will be based on the salary he receives after 1936 and from that time until he is sixty-five years of age The funds which pay this insurance are derived from a tax of 2 per cent on payrolls The employer pays 1 per cent and the employee 1 per cent This latter is deducted from his pay It was originally planned that this tax was to be increased ½ of 1 per cent every three years until it reached a maximum of 6 per cent of the payrolls However, in the spring of 1939 it was decided by Congress that the additional ½ of 1 per cent would not be added during the period of 1940-42 As a result, the tax was not to exceed 2 per cent until 1943

The old-age insurance covers a great majority of wage earners in the nation In 1939, 43,000,000 workers were included in this program The general groups included are those employed in manufacturing, commerce, selling, and some domestic workers It excludes agricultural workers, some domestic servants, those employed in public serv-

ice, and workers in philanthropic, educational, or religious institutions.

The amount of retirement income to be received by the workers will range from $10 to $85 per month. These payments began in January, 1940. For those who did not qualify for monthly payments owing to the small amount accumulated, a lump payment of 3½ per cent of their salaries from January, 1937, to January, 1940, was made. Benefits of those who die before reaching retirement age (sixty-five) are paid to their estates in a lump sum.

OLD AGE BENEFITS

Based on wages received after December 31, 1936,
but prior to the age of sixty-five years

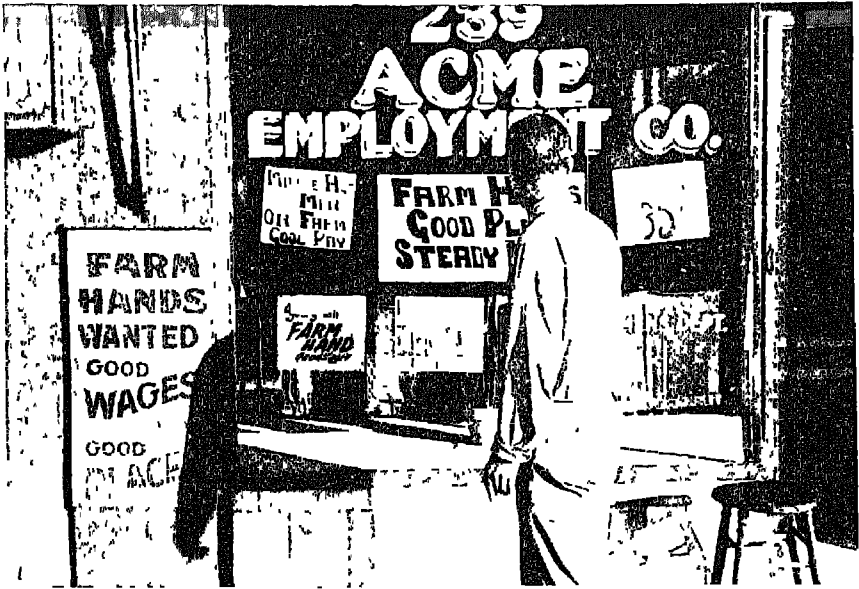
Total income from December 31, 1936 to 65 years of age	*Benefits received each month*
$ 2,000	$10.00 per month for life
3,000	15.00 per month for life
10,000	20.83 per month for life
20,000	29.17 per month for life
40,000	45.83 per month for life
70,000	60.42 per month for life
130,000	85.00 per month for life

Social Security is not a dole or a gift, but a pension to which each employee has made contribution. Through this pension the great majority of workers in the United States can look forward for the first time to some degree of security once their working years are over.

Unemployment Insurance. Second only to the insecurity caused by old age is that caused by unemployment. Unemployment feeds on itself. When great numbers are unemployed, there is an immediate decline in buying power, thereby causing more unemployment. This leads to the misery of millions of workers and poses a tremendous problem of relief for the community.

A partial answer to this problem is unemployment insurance. Various state governments inaugurated such insurance previous to 1937. The Social Security Act standardized the administration of unemployment insurance and the benefits received from it. At the present time, every state in the union has unemployment insurance plans which have been approved by the Social Security Board. The funds collected are deposited in the United States Treasury and can be withdrawn only for the payment of the benefits. These funds are accumulated through a federal tax on the payrolls of the employer. The amount collected is

3 per cent As the employer must pay taxes to the state government for this purpose, he may discount as much as 2 7 per cent of the federal tax by showing that such an amount has been paid to the state The cost of administrating such a service is paid by the federal government

The benefits received by the employee may amount to $15 a week for a maximum of 16 weeks. The minimum benefit is $5 00 a week

Farm Security Administration, photo by Vachon

Another part of the Social Security Act is to help solve the problem of unemployment Just now that is not a great problem, but it has been in the recent past. And unless we plan carefully it can be a major problem again

Whether or not the employee gets maximum benefits, that is to say, $15 a week for 16 weeks, depends upon the number of weeks he has worked in the preceeding year

There is a general plan of procedure which must be followed in order to obtain these benefits The worker must register at a public employment office when he becomes unemployed He then receives his benefits The employment office attempts to find work for him If the job is satisfactory, he must accept it If he does not, the unemployment benefits cease However, under certain conditions the worker has the right to refuse the job In the first place, he can refuse if it is open because of a strike Secondly, he can refuse it if it is available because of a lockout or any other type of labor dispute In the third place, he does not have to accept the job if he will be forced to join a

company union or be forced to resign from a bona fide labor union. In 1938, 3,800,000 workers received benefits amounting to $400,000,000, or an average of $11 a week for each worker There were several social benefits derived from this insurance plan The unemployment cycle was cut down and the increased unemployment due to lack of buying power was decreased Unemployment insurance does not prevent unemployment any more than fire insurance prevents fires but it acts as a cushion against some of the effects of unemployment

Railway workers do not receive unemployment benefits under this plan However, in 1938 the Railway Unemployment Insurance Act was enacted, giving to them similar benefits These are paid from funds derived from a 3 per cent payroll tax on the employers The maximum salary which is taxed is $300 per month The unemployment benefits go to all persons employed by the companies engaged in interstate commerce The maximum benefits are not to exceed 80 days in one year The amount of the benefit ranges from $1 75 to $3 00 a day

Public Assistance Funds These funds, which are distributed by trained social workers, give aid to the aged, the needy blind, and dependent children The portion of the Social Security Act dealing with the aged provides for an allowance for people already over sixty-five years of age who are in need and who, because of their age, are not covered by old-age insurance benefits

The funds are administered by the state which receives aid from the federal government if its plan has been approved Each state administers the plan and pays for part of its cost Federal assistance depends upon the amount of funds the state has for this work The maximum federal grant is one-half of the amount needed to pay those who require $40 a month in benefits

The plan of aiding the needy is now in force in all the states and in two territories Through it, 1,500,000 people are helped The amount of money used in this work has approximately doubled each year since 1934 In 1934, about $32,000,000 was used for this purpose This jumped to $65,000,000 in 1935, $135,000,000 in 1936, and $311,000,000 in 1937 Since this time, it has increased to a much larger sum, showing that many more persons are receiving larger and larger grants making possible independent living for those who have passed their sixty-fifth birthday

The assistance to the blind and to needy children follows the plan of organization and administration of that used for the aged In Janu-

ary, 1939, 40 states and 2 territories had approved plans. During this year 43,000 blind and 666,500 children were cared for.

Health, Welfare, and Rehabilitation. Many thousands of persons in the United States are not working at full capacity because of health. Some of them had a poor start in life. Others have been incapacitated by disease or accident.

The federal government is aiding this group of unfortunates. Through the Children's Bureau it gives help to the young generation, both directly and indirectly. It spreads knowledge of maternal and child care. It grants funds for the homeless and neglected. It has agencies which work to prevent delinquency. It spends money to locate cripples in order to give them preventive and curative treatment. The federal government grants funds to states to aid them in establishing rehabilitation services, that is, the retraining of those people who through disease or accident are no longer able to carry on their chosen vocation.

State and Private Provisions

Workingman's Compensation. Closely connected with, but not part of, the Social Security Act, is compensation to the workingman for accidents occurring on the job and for occupational diseases. This type of compensation is in effect throughout the country.

Imagine that you have a job in the steel mills. You have taken this job because you know that the wages paid in such an occupation are relatively high. But, you are more likely to get hurt here than in many other industries. This being the case, what will you do if you are injured and are unable to continue working?

There was a time when you would have had to take the chance. If an accident happened, you were out of work with no means of livelihood, and with no insurance benefits to see you through the time of recovery. Today, all industrial states have some form of workingman's compensation laws. There are many types, but they all have only one primary purpose: compensation for injury or disease received while at work. The other purposes of such laws are to make and enforce safety provisions. The only adequate way to finance the benefits is through employer's liability insurance. Several plans of doing this are now in practice. In some states, the employer can buy insurance from a private company. In a few states, the employer is insured by contributing to state funds. In still other states the employer must satisfy the compensation board that he can carry the risk individually.

The occupational injuries and diseases covered by compensation

laws vary in different states No state attempts to cover all occupations or men employed in interstate commerce In some states laws apply only to hazardous occupations, listing these occupations in the laws Generally excluded from compensation are those employed in agriculture, domestic service, and casual labor, employees who receive less than a certain salary, and those employed by charitable institutions Twenty-seven states have regulations which make compensation compulsory only when a certain number of workers are employed Thirty-four states exclude public employees entirely while 13 partially exclude them As for compensation for occupational diseases, some laws list the specific diseases while others grant compensation for any disability arising from any occupational disease

The payment of benefits starts from 1 to 14 days after the injury occurs, generally after the seventh day The payment of benefits has no relation to medical and hospital care, which starts immediately upon injury or illness If the injury continues over a long period of time, the payment of benefits is retroactive to the time of the injury The amount of compensation is usually a percentage of the wage If the employee is disabled, there are disability benefits depending upon whether the employee is permanently and totally disabled, permanently and partially disabled, temporarily and totally disabled, or temporarily and partially disabled

Pensions [1] Some of the older industries of the nation have developed pension plans of their own Among these companies are the New York Central Railroad, the General Electric Company, the American Telephone and Telegraph Company, and the Eastman Kodak Company Pensions such as these are either employer-employee participation or straight employer grants They are generally figured on 3 per cent of the wages over the working years of the employee If both the employee and the employer participate, it is on an equal basis The American Telephone and Telegraph Company handles the entire pension for its employees These plans attempt to give the employee three-fourths of the salary that he has earned during his active years The average pension received by General Electric employees is $770 a year or $64 25 a month The New York Central pension averages $52 50 a month

These pension plans are deeply appreciated by the employees of the industrial concerns that grant them From the viewpoint of the em-

[1] Since the passage of the Social Security Act, some of these pension plans have been revised to include the use of Social Security benefits However, the companies continue to supplement these with their own plans so as to maintain the original level of the pension.

ployer the pension creates loyalty among the employees and makes possible a smaller turn-over of workers From the viewpoint of the employee the pension has several distinct advantages The pension provides for at least partial economic protection, reserves for retirement are built during the employee's productive years The pension is an indirect increase in wages It definitely allows the employee to retire after a certain number of years of service

SOCIAL SECURITY IN A DEMOCRATIC SOCIETY

Social Security and Democracy Many people have taken a definite stand against social insurance or social security They do not believe in it because they fear the increasing part played by the government in the lives of the people They fear centralization of power and the increasing cost of these plans which must be paid for, for the most part, out of tax receipts of the future Many believe that these assurances of security will have a depressing effect on the willingness to work and save of a great section of our people

On the other hand, it seems clear that democracy must keep driving for freedom from want In the first place, want diverts attention from freedom and spiritual development It stresses physical survival When one is hungry, he is not thinking in terms of free speech or human rights Such a person generally follows the man who guarantees security no matter what method he uses to obtain this security Many believe that this danger to democracy can be overcome by making it possible for the individual to cooperate with the government in a thrift program that will make his old age secure

Immediate Dangers of Social Insurance in the United States. The plan of social insurance in the United States is new and in the experimental stage Because of this, there are certain dangers which we must recognize in order to protect ourselves from error We must not start such a program with too high standards of individual benefits Doing so will endanger the plan in the future It will take time to build the funds needed to take care of an adequate system If the government misuses the funds in the early years, there will not be sufficient reserves to cover the benefits in later years Low standards of social investigation will lead to the waste of funds and the failure of any sound program Careless methods can only lead to a hazy distinction between relief and insurance When this happens, political patronage steps in

Nor should the payments be wholly inadequate If the worker is to feel that his thrift is accomplishing anything, he must be reasonably

satisfied with the results. In this case, the results are sufficient benefits for old age. If this cannot be done, there is a likelihood that any assistance plan will degenerate into a free-pension plan, entirely financed by the government. Such a plan is needed for those already old, but is not the democratic answer for those with working years ahead of them.

Why We Need Social Insurance. Social insurance is greatly needed in the United States. The individual has little personal security in a modern industrial society. All his economic risks are wrapped up in his job which he may lose because of sickness, old age, or depression.

Another factor that has led to insecurity in our times is the declining economic importance of the family as a unit. The large family on a farm has been always considered as an economic unit. The children aided in the family production, and, with all lending a hand, life on the farm was more or less secure. The opposite of this seems to be true in our urban industrial areas. The larger the family, the greater is the liability. The most evident problem is how to feed the increasing number of mouths. This problem adds to the insecurity of the urban dwellers. It has been an important factor in the decreasing birth rate in the United States which is becoming an alarming sociological problem.

The third factor is the periodic return of depressions. Until our major depression of the 1930's, there has always been a rebound to prosperity. This prosperity more than made up for the depression preceding it. Today, even the increase of national income has not eliminated unemployment. There are still great numbers of unemployed attempting to find a way toward security. Individual effort to regain this security is not enough for many for whom there simply are no secure jobs. Thus, there is need for a co-operative effort in which the government is one of the major participants.

Finally, there is the fringe of potential workers who become active workers in times of depression. These make it all the harder for the regular worker to gain individual security. There are millions in the United States who in good times do not have any plans of working in our industrial system. But once salaries decrease or positions are lost, the labor market is flooded with wives and young people who are attempting either to supplement the lowered family income or to take the place of the unemployed wage earner. Wages decrease because the supply of labor is greater than the demand. Individual families may better their own position with these auxiliary workers, but the wage-

earning group as a whole finds itself working for lower wages Such a situation leads toward added insecurity

We in the United States have learned certain facts regarding the treatment of dependency Most of this has been brought to light during the 1930's It has been during this period that we have realized

Farm Security Administration, photo by Vachon

If democracy is to be wholly successful it must find a way to end relief lines like this. This picture was taken in a large industrial city in 1940

that dependency is a national problem A condition that is so widespread can hardly be handled by the smaller governmental units Relief should be sufficient to maintain the morale of those who are insecure Useful employment has been the principal method of handling unemployment Special work programs have been devised to fit the needs of special groups

We have become conscious of the problem of social welfare in general By so doing we have raised relief standards throughout the nation The needy, the aged, the blind, and the dependent children are receiving more adequate care All of this has come about by a change in public attitude which in turn has been crystalized into legislation However, the solution to these problems is not complete There are those who believe that unemployment is not really a national danger.

There are others who insist that "a good man can always get a job" Closely connected with this is the idea that "some men just won't work" Still others believe that it is unconstitutional for the federal government to interfere with the problems of social welfare

On this whole problem, *Business Week* has reached this conclusion

"The problem of destitute old age is not new, although it has been intensified by our shift from an agricultural to an industrial economy. In approaching it two premises must be accepted, (1) that few persons, no matter how industrious, can at present save enough from their earnings to provide for a long twilight of life, even on the most modest scale, and (2) that the majority of old persons must be supported by others—whether those others are their own kin, or organized charity, or some agency of the state It appears to be the consensus that the answer to this problem is a pension system, but with the implicit recognition that whatever is granted to the unproductive aged must be extracted from the share of the national income divisible among the productive members of society"

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest old-age benefits, payroll tax, lump sum, dependency, rehabilitation, compensation, liability, occupational diseases, potential workers, co-operative thrift program

INFORMATION, PLEASE!

2 **a.** What guarantee of security does the Social Security Act give? **b** What are the types of security offered by the Social Security Act? **c** Which workers are included in the social security plan? **d** How does the employee proceed to obtain unemployment insurance once he has lost his job? **e** Under what conditions does unemployment insurance continue for the maximum time? **f** Who are eligible for Public Assistance Funds? **g.** How does the process of rehabilitation function? **h** How does the workingmen's compensation aid in increasing the security of the worker? **i.** Why have some corporations discovered that pension systems increase the efficiency of the worker? **j** Why have many persons opposed federal social security? **k** What are the immediate dangers that may make our social security system unsound?

CAN YOU THINK?

3 **a.** There has been an increasing demand for unemployment insurance since the beginning of the depression Why should this be, from the

standpoint of the employee? From the standpoint of the economic system? From the standpoint of society? **b.** A co-operative thrift plan between the employee and the government is essential to guarantee social security for the employee Explain fully the meaning of this statement Include in your explanation how the distribution of national income tends to prove the necessity of such a co-operative plan **c** Social security becomes a necessity when a society becomes predominantly industrial Show the reason for such a situation by comparing the possibility of security in an industrial society to that in an agricultural society **d.** "A good man can always get a job" "Some men just won't work" Marshal the facts that have a bearing on these statements and state the conclusions that you have reached.

WE LEARN BY DOING

4 **Talk** Give a talk on "The Present Dangers in the Administration of Social Security" (Obtain your information from current magazines Use the *Reader's Guide to Periodical Literature*)

5 **Interview.** Visit the nearest Federal Employment Service and interview its director concerning its work Report your findings to the class

6 **Research Problem.** Obtain the laws of your state concerning workingmen's compensation Summarize them in a report to the class

7 **Essay** Write an essay on "Social Security Is the Natural Outcome of Our Present Industrial Society"

8 **Essay** Write an essay on "Social Security Is Not a New Thing in the Industrial World" (Show how social security developed in Europe long before it did in the United States)

WE READ FROM OTHER BOOKS

9 **General Readings.** Annals of the American Academy of Political and Social Science, Vol 202, *Appraising the Social Security Program*, E Bakke, *Insurance Or the Dole*, J Dodd, *Introductory Economics*, chap. xxvii, P Douglas, *Social Security in the United States*, A Epstein, *Facing Old Age*, E Hilton, *Problems and Values Today*, II, 495-534, H Kidger, *Problems in American Democracy*, chap xii, J Kinneman, R Browne, and R Ellwood, *The American Citizen*, chap xii, F Lumley and B Bode, *Ourselves and the World*, chap xv, I Rubinow, *The Quest for Security*, M Stewart, *Social Security*, U S Social Security Board, *Social Security in the United States*

CHAPTER 19

PROVISION FOR HEALTH AND MEDICAL CARE IS A FUNDAMENTAL PROBLEM OF EVERY FAMILY

★★

The welfare of the family depends, to a large degree, upon the health of its members In general, there have been great advances in the United States in the prevention and care of disease But, as in other fields, these advances have not been of equal benefit to all groups of people Today we are working out various plans which are designed to bring to the people of America a democracy of health—equality of opportunity for a healthful life

★★

THE PROBLEM OF MEDICAL CARE

Medical Care in the United States. 1 *The Relation Between Wages and Medical Care* There are 40 million people in the United States that belong to families with an annual income of $800 or less They are existing on an emergency standard of living Among other necessities, they cannot buy medical service It would be impossible to take care of all these people in charitable institutions Already such organizations are taxed to the utmost to help the 20 million who do depend wholly or in part upon them

The annual income of another third of the population of this country does not exceed $1,500 To this group medical care is a serious problem They can pay part of the expenses of medical care, but when serious illness comes into these homes, it has a disastrous effect upon the family budget Even the large group with incomes over $1,500 a year can have medical service only when it is absolutely necessary

According to the Social Security Board, families with an income of $2,000 or less a year do not set aside any money for medical service The Board also discovered that the families in the income group of $2,000 to $3,000 a year did not feel as though they could afford adequate medical service Consequently, only about 25 per cent of our population can afford the necessary service that will keep them fit or that will bring about speedy recovery in the case of disease or accident

Illness and death rates increase as the income goes down Likewise, medical care decreases as the need for it increases. In the families

whose incomes are $1,000 or less a year, the health defects are 20 per cent greater than the average for such defects in the whole population. This low-income group is producing more than the average number of children. Thus, at least one-third of the children, the adults of tomorrow, are coming from homes in which there is no money for medical care.

2. *The Results of This Lack of Medical Care.* The lack of medical care is reflected in the death rate of the nation, which is approximately 1,300,000 per year. Of these, 700,000 deaths are from diseases that are peculiar to middle age. The remaining 600,000 are, to a large degree, preventable. Medical service, if fully applied to all the population, would have great effect:

1. Two-thirds of the 18,000 deaths from childbirth could be prevented.
2. Infant mortality could be cut in half.
3. One-half of the deaths from tuberculosis (100,000 patients each year, second largest cause for death between fifteen and forty-five) could be avoided.
4. One-third of the deaths from cancer (24,000) could be prevented.
5. Decrease of the death rate of children in their first year by 70,000 is possible.
6. Decrease of the death rate of those dying from pneumonia by 20,000 is possible.
7. 100,000 who are feeble-minded could be properly treated in institutions.
8. Hospital facilities could be increased so that the insane (500,000) would not take 50 per cent of the hospital beds available in the country.

The distribution of medical care is not spread equitably throughout the various strata of society. In some counties in the United States there are no maternal deaths at childbirth, while in other counties the rate goes as high as two hundred per year. Each year 250,000 women go through childbirth without the care of a physician. The gross sickness rate and mortality rate among the poor in cities is equal to the rate of the entire nation 50 years ago. The death rate in the 10 most deadly diseases of the nation is twice as high among unskilled workers as among the professional workers. Forty per cent of the counties of the nation do not have registered hospitals, although they contain 17,000,000 people. The life expectancy of the workers in industry

is eight years less than those in non-industrial occupations. These facts tell a story that democracy must find a way to change.

The Cost of Ill Health. The annual cost of ill health in the United States is 10 billion dollars. On the average, every wage earner in the United States loses eight calendar days each year because of illness. Seventy million people lose an aggregate of one billion work days a year. Each year there are 4,000,000 individuals who are temporarily or permanently disabled by illness. This group is unable to work, attend school, or pursue their customary activities. At present, about one-third of all deaths each year are premature. The productive power lost to the nation by these deaths reckoned in dollars is approximately six billion dollars.

We have at the present the necessary personnel and equipment to provide complete medical service for the nation. This includes the necessities for prevention, diagnosis, and treatment. We have more doctors for our population than any other nation in the world. There are 77 qualified medical schools in the United States, and we lead the world in medical research. Our professional journals are read throughout the world. We have many philanthropic foundations doing research in medicine. Our government spends more money on health research than any other nation in the world through the Department of Agriculture, the National Institute of Health of the United States Public Health Service, the National Cancer Institute, and the Bureau of Infant and Maternal Welfare of the Department of Labor. In spite of all this equipment and personnel, we still lose about 16 billion dollars a year in ill health and premature death.

The Cost and Scope of Medical Service. The annual doctor's bill of the nation is three and one-half billion dollars. The equipment used by the doctors represents another three billion dollars. Thus, in a sense, the medical service of the nation is one of the major industries of the United States.

Our doctors are considered the best in the world. Many of them give half of their time to public service. But medical service has increased in cost during the last few years while the economic status of the general public has decreased. This widening gap between the increased cost in service and the decrease in the public's ability to pay for this service seems to be the crux of our present problem.

While this gap has been growing, the scope of medicine has also been increasing. Medicine has come to include psychiatry, sanitation of dwellings, protection of society against epidemics, care of tubercular and mental patients, and the hospitalization of the unfit. If these

services are to be extended to the greater part of the nation's population, many people believe that some sort of organization is necessary Presumably, the nation, the state, and the municipality or a group of co-operating individuals would have to develop the organization

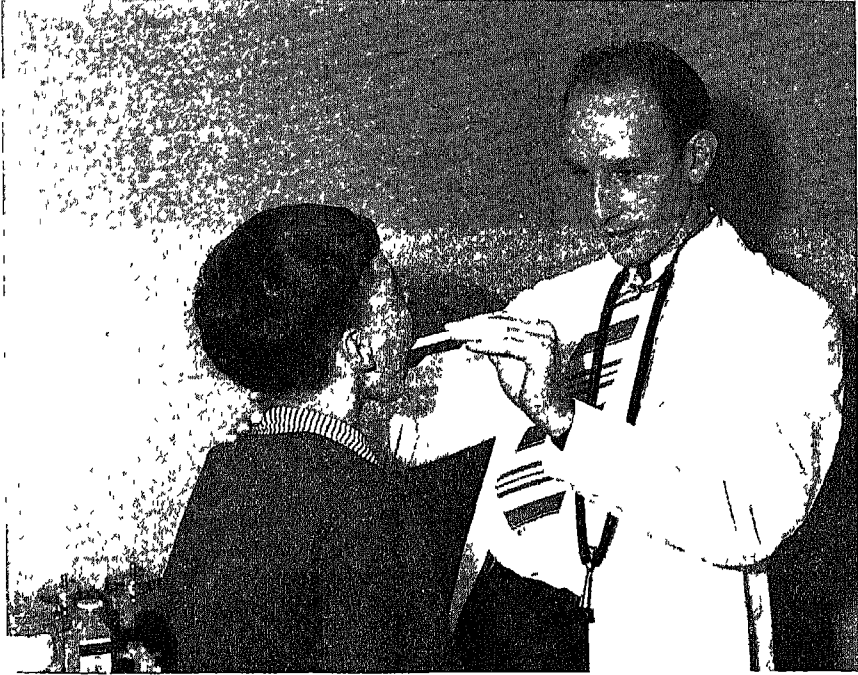
The Attitude of the Medical Associations. 1 *The Defense of Fee-Service System* The medical associations are aware that under the fee-service system a large part of the population of the United States either cannot go to the doctor or must put such a visit off until the ailment is severe or incurable However, the doctors do not welcome experimentation in medical service that would lead to socialization of medicine for low-income groups In fact, medical associations have discouraged pioneering in this field by the doctors themselves

The American Medical Association is the most important and largest of all medical associations in the United States The general public looks upon it as the symbol of honesty and service Its seals of approval on various articles are the guarantee of purity and efficiency The American Medical Association has fostered research and has aided the advancement of the science of medicine It upholds the fee-service plan and is opposed to government control in the administration of medical service

The American Medical Association believes that the inability of the American citizen to pay for medical service is an exaggeration It has made a survey showing that the average middle-class family pays $25 a year for patent medicines, $150 a year for an automobile, $37 a year for gasoline, $67 a year for tobacco, $35 a year for entertainment, and only $24 a year for medical service Therefore, it is not a matter of being unable to pay for medical service, but, rather, a matter of poor budgeting on the part of the average American

The American Medical Association also claims that those who are not able to pay for services are adequately taken care of through charity and free clinics Clinic attendance has increased over 300 per cent in the last 10 years On the average, 5,000,000 free patients are taken care of daily This service is given free by the doctors of the nation In addition, the Association points to the vital statistics of the nation In 1900, the death rate was 17 6 per 1,000 In 1938, it was 11 per 1,000

2 *Reaction Toward Socialized Medicine* According to the American Medical Association, compulsory socialized medicine, meaning government control, would destroy the personal relationship between the doctor and the patient It would destroy the quality of the medical service It would discourage the best young men from entering

the profession Socialized medicine would develop a bureaucracy that has no place in a democratic state It would increase the cost of government This increased cost would have to be paid through taxes by those who will profit little by such a system The poor, who would benefit most by such a plan, would have little share in the cost, as they usually do not pay direct taxes The American Medical Association fears that diagnosis would become mechanical The control of

Farm Security Administration, photo by Vachon

A doctor who practices with a group health association examining the throat of a member patient

the system would be in non-professional hands and would be liable to lend itself to political control The Association does not believe that there can be a substitute for the close patient-doctor relationship that comes through years of friendship and service

The medical profession is making plans that will care for the health of the nation under the present changing conditions The aim is equality of medical service, no matter what the economic status of the patient may be The doctors are trying to perfect low-cost group practice under which they will maintain their professional independence and be free from political domination There will be no

breaking down of the intimate relationship between doctor and patient. However, to do this will take time and reflection.

Nevertheless, it is evident that there is insufficient medical service in the United States today. The medical profession has spent a great deal of time defending the fee-for-service system. At the same time, over 50 per cent of the population cannot afford medical service of any kind when it is on such a payment basis. Dr. Richard Cabot of Harvard Medical School has said, "I maintain that to have doctors working on a salary would be better for the doctors as well as the patient." He has also attacked consultation, specialist's operations, the suspicion of fee-splitting, and the prohibitive costs that result from the latter practice.

Dr. Hugh Cabot of the Mayo Clinic and Dr. John P. Peters, Professor of Medicine at Yale, are two of the nation's outstanding physicians who are leading the trend toward socialization. There are many others who are joining them.[1] If a more equitable medical service, either by the medical profession or by government action, is provided it will be because of the social attitudes of the younger men who are entering the profession.

New Ideas in Medical Service

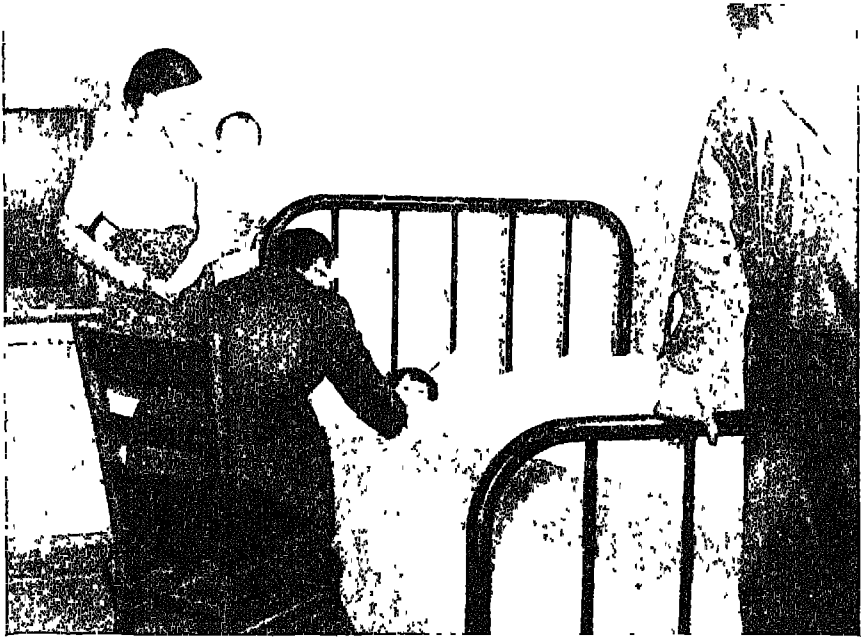
Socialized medicine is a general term that may mean compulsory health insurance, tax-supported medicine, the contract system, group practice, and the medical co-operative.

Compulsory health insurance is a method of protecting every worker from ill health through some form of insurance. The government passes legislation making this compulsory. The payment of such insurance is generally made in part by the employer and the employee. It provides for more or less complete medical care. Germany, France, and England are now using this plan.

Tax-supported medicine is medical service run and controlled by the government. The doctors work on salaries that are paid by the taxes. This is the form of socialized medicine that is feared by conservative medical groups. The evils they see in it are: (1) the possibility of political control, and (2) the loss of the patient-physician relationship.

What Is Being Done in the United States. 1. *Government-Supported Medical Service.* The United States has established a system of free

[1] James Howard Means, M.D., president of the American College of Physicians during the years 1937-38, definitely inferred in his presidential address before the College that there was a need for a trend toward group medicine and a more social viewpoint on the determination of fees.

hospitalization for all World War veterans In addition to this type of service, there are city, county, state, and national health services These are designed primarily to aid those who need medical assistance but cannot pay for it, to guard against epidemics, and to foster preventive medicine by free vaccination and inoculation The vast majority of all medical services which the government has fostered

Farm Security Administration, photo by Rothstein

A physician co-operating with the federal Farm Security Administration medical health plan visits a farm house

have been in the fields of preventive medicine and medical education on the grounds that the cheapest way to insure health is to prevent disease

2 *College and University Health Services* Throughout the nation there has been a growing movement of establishing health service for college students Various universities and colleges have organized clinics in which students may receive all types of medical care from a group of trained physicians The yearly payment for such service is figured in the tuition of the student In the larger universities which have medical colleges, there is co-operation between the health service, the medical college, and the university hospital These three services working in conjunction with each other offer to the student the most complete service possible

3 *Contract Medicine* The purpose of contract medicine is to furnish medical service, which in many cases includes hospital service, on a pre payment plan Because of the set rate for each family or individual, it is possible to establish a rate low enough to insure families in the middle and higher income groups of a good grade of medical service It also eliminates the worry in case of illness in these families

The Baylor University Hospital started such a plan in 1929. It offered hospitalization to 1,500 school teachers at the rate of $3 00 a month In 1933, the American Hospital Association took over this plan By 1938, its membership had increased to 2,000,000

The New York Hospital Plan is known as the "three-cents a day plan" A single man pays $10 a year, a husband and wife pay $18 a year, a husband and wife and any number of unmarried dependent children pay $24 a year These rates entitle the member to the following services in his choice of 300 metropolitan hospitals

Board, room, and nursing in a semi-private room
Laboratory analyses, X-ray, fluoroscopics, drugs, and dressings
Anesthesia by hospital attendant
Basal metabolisms and electro-cardiograms
Serums and oxygen tents

For the above rates each member receives these services for a maximum period of 21 days a year. All services beyond the 21-day period are given to members at a discount of 33⅓ per cent

The workers of the Home Owners' Loan Corporation and other governmental agencies in Washington, D C, established the Group Health Association in 1938 They hired a medical director, a surgeon, an ear, eye, nose, and throat specialist, a child specialist, two general practitioners, and nurses In 1938, they had 6,000 members who were paying $2 20 a month if they were single and $3 30 a month if they had a family This organization was immediately attacked by the medical society of the District of Columbia,[1] which considered it the entering wedge of socialized medicine

[1] *The action of the District Medical Association was upheld by the* A M A *Then the* U S Department of Justice applied for a restraining order on the ground that such action by the A M A and the District Medical Association violated the Sherman Anti-Trust Law *This order was refused by the District Court It was then appealed to the* Court of Appeals (U S) of Washington, D C, charging the American Medical Association and its associates with violating the Sherman Anti-Trust Law On March 5, 1940, the court handed down the decision that it was as illegal to restrain "the lawful practice of medicine" as it was to restrain any kind of trade The Supreme Court refused to rehear the case Thus the American Medical Association can no longer obstruct the functioning of group practice of medicine by closing hospitals and clinics to the group practice doctors

The medical society of the District then developed a competing organization which is known as the Medical Dental Service Bureau Its purpose is to serve those who need medical care but cannot pay for it Such a person may go to a physician of his choice. He takes his bill to the Bureau, which makes an economic history of the case to determine what the patient can pay The patient then discharges his obligation in 10 payments

The Group Health Association is not the only medical group that has had to fight the opposition of the county medical societies or the American Medical Association The Milwaukee Medical Center, which was originated by the International Harvester Company, was also attacked as unethical The doctors have been excluded from all but two of Milwaukee's hospitals However, the state of Wisconsin is on the side of the doctors and is working for the return of their professional status The famous Ross-Loos Clinic of Los Angeles has waged a successful fight against the county medical society The case was appealed to the American Medical Association, which decided to reinstate the doctors of the clinic in the county medical society According to the findings, the doctors did not have a fair trial before the board of the local society However, there is still much opposition to the Clinic by the conservative doctors of the state

Another experiment in medical service is that of the Trinity Hospital in Little Rock, Arkansas A few years ago six doctors pooled their office expense and combined their medical skill In a short time they built a 50-bed hospital to which they gave the name Trinity They have offered their services at the rate of $2 00 a month for each individual in groups, or $2 50 a month for the individual person, and $5 00 a month for a family regardless of size The services for these payments include medical and surgical service with six weeks' hospitalization a year including nursing, anesthesia, medicine, X-ray, and radium treatments The membership in this hospital soon grew to 5,000 and four more doctors were added to the staff

4 *Health Co-operatives* One of the most widely known health co-operatives is the hospital and health service established at Elk City, Oklahoma It was originated by Dr M Shadid[1] in 1929 He proposed to the community the plan to build a hospital as a joint ownership proposition Twenty-five hundred shares were issued at $50 a share These were bought by the community and the hospital was built It has been functioning for twelve years under the direction of a board of directors who have been elected by the patient-owners The yearly

[1] Michael A Shadid, *A Doctor for the People,* New York Vanguard Press, 1939

dues for health service are $24 a year per family. Ninety per cent of the subscribers to this health service are farmers

The services they receive include all medical and surgical care. Children are immunized against diphtheria and small pox without charge They also receive dental examinations and extractions free The cost of an appendectomy is $40 The cost for the delivery of a child is $30 All who have become members claim that there is a definite trend toward preventive medicine

The Results of These Ideas and Experiments By 1940 there were 30 cities with community medical services controlled by the doctors In addition, there were 60 cities with pre-paid hospitalization

There are many advantages for the medical profession in this type of practice It has raised the standards of living of many doctors by increasing their incomes It has given to many the advantages of better equipment By pooling the experience of the group, all receive the benefits of research Community medical services have the tendency to equalize work and to eliminate economic waste In many communities it has done away with sliding scales and fee-splitting It has aided in stopping the overcrowding of physicians in cities where many young doctors have been attracted by large fees. It has also increased the income of the rural physician

Such service is based on sound sociological principles It gives medical care to those who need it It has brought prompt and adequate pay to the doctors who participate in such a plan Such medical service starts with society as it is, and develops out of the needs of the present This is not an attempt to superimpose another ideology upon the people of the nation It simply recognizes a defect in our own social structure and attempts to remedy it Support by medical societies of some sort of plan for medical care for those who cannot afford it would go a long way toward solving the problem without the much-feared government control

The History and Progress of Socialized Medicine

Medical Service in Other Nations Socialized medicine is not a new idea in the western world Like many other social ideas, it has been used in Europe for at least a half of a century In 1864, Russia established a state medical system for the rural districts of the nation This system reached the majority of the population The salaried district physicians were paid by taxes

Compulsory health insurance was established in Germany in 1883

for the workers. Bismarck, who inaugurated this system, realized that healthy workers would benefit the manufacturers. This same type of insurance was started in England in 1911 and in France in 1928. The tendency has been to extend it to include more and more of the population.

Yugoslavia had 3,600 of its 5,000 doctors on the state payroll. Most of the workers functioned under the social insurance law of the country. Public health service and the health co-operatives of the rural areas reached the majority of farm owners and workers. The wage earners and the salaried workers of the urban areas received their medical service through the national social insurance program.

The medical services in Scandinavian countries are almost 100 per cent socialized. The health standards are extremely high in these nations, being surpassed only by the New Zealanders, who have been the leaders in social legislation among the democratic countries.

The New Zealanders have established the most comprehensive plan of social insurance that has as yet been put into action. Pensions are granted to all those handicapped by illness, invalidism, death of the bread-winner, and old age. It provides for all a means of protection and restoration to health. This includes free service from a general practitioner, free hospital and sanitorium service, free mental hospital care, free medicine, and free maternity care. The plan is financed by social security contributions from the individual, registration funds from males over twenty years of age, and subsidies from a consolidated fund. The general practitioners who work under this plan receive a salary of $6,000 per year.

In 1927, the Republic of Chile started a social insurance plan which is more comprehensive than the one now in use in the United States. It affects all persons under sixty-five who earn 12,000 pesos (approximately $2,500) or less. This figure includes practically all of the population. The contributions for the system come from the employee, the employer, and the state. It gives to those insured complete medical care for sickness, maternity, and accidents. It also includes old-age benefits.

Medical Service in the United States. In 1939, the President of the United States recommended to Congress a plan for health security. The plan was embodied in a bill presented to Congress by Senator Wagner of New York. It was a bill to aid the various states to work out an adequate plan of public health which was to include the prevention and control of disease, maternal and child health improve-

ment, increase in hospitals and health centers for the care of the sick, a plan for disability insurance, and a plan for training a personnel for such service. This bill was to be an amendment to the Social Security Act

In this plan the federal government was not trying to impose a definite scheme upon the states It was rather searching for a way in which to subsidize state health departments with the purpose of promoting a sound health service It was an extension of a service already in operation It recognized the inadequacy of our present system of public health Today the states are spending on an average of 11 cents on health for each person each year Municipalities range from a few cents to $1 00 a year for health Less than a third of our cities and fewer counties have a full-time health officer

Conclusion Whatever plan we may adopt for the extension of medical services it will be necessary to secure the co-operation of all the physicians to make it a success Some doctors fear that any plan of extending medical service would bring with it some of the abuses experienced in Europe Some fear that it would bring political interference and bureaucracy There are, however, many plans that might solve the problem without compulsory legislation These have been described in this chapter Where some form of health insurance has been developed, the average income of the physician has been increased The gross income of all physicians has been leveled off so that the city doctor no longer collects 80 per cent of all that is spent on medical service while the rural doctor must be satisfied with the remaining 20 per cent

Organization of medical services is not new Nor is it limited to any particular type of government. There has been a gradual world-wide development of this type of medical service Insecurity created by illness is another aspect of our social-economic system that democracy can correct

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest death rate, infant mortality, institutionalize, diagnostic, philanthropy, epidemics, fee-service systems, contract medicine, hospital plan.

INFORMATION, PLEASE!

2 **a.** What possibility does the average American have for adequate medical service? **b** What is the relationship between the need for medical service and for financial ability to have it? **c.** What are the results of

inadequate medical service? **d** Why is the American Medical Association the outstanding defender of the fee-service system? **e** How does the A M A feel toward socialized medicine? **f** What plans of medical service does the term socialized medicine include? **g.** What is tax-supported medicine and why do conservative medical groups fear it? **h.** What are the differences between contract medicine, group practice, and health co-operatives? **i** Do these new forms of medical practice have their roots in the United States? Are we the first to use them? **j** What is the purpose of the federal policy on health and health service?

CAN YOU THINK?

3 **a.** The cost of ill health in the United States is 10 billions of dollars annually Explain how this figure is arrived at, taking into consideration the various costs that are included in it **b.** Medical Service has increased in cost during the last few years During this same period the economic status of the general public has decreased Why does this combination of facts lead to thinking in terms of socialized medicine? **c.** Why should individual doctors such as Hugh Cabot and James Howard Means, who are successful under the present system of medicine, be in favor of change to a more social form of medicine? **d** Why has contract medicine and hospitalization become so popular in the United States in the last few years? **e** Should the young doctor look upon these new forms of medical practice as advantageous to him, especially from the professional and financial angle?

WE LEARN BY DOING

4 **Debate** Resolved That the present trend toward socialized medicine is evidence of progressive democracy

5 **Survey** Obtain the following information from your neighbors and present the summary of your findings to the class

a. Do you go to the doctor before you feel ill or only when you are very ill?

b Do you have periodic physical examinations? If not, why not?

c Do you go to a doctor of your choice, or to the one you can afford?

d Would you be interested in a plan of preventive medicine?

e Do you feel that you can afford all the medical service that you need?

6 **Book Review** Read Dr Michael Shadid's *A Doctor for The People*, and give a review of it to the class

7 **Talk.** Prepare a talk on "The Ideals and Purposes of the American Medical Association" Information can be obtained by writing to Dr Morris Fishbein, American Medical Association, Chicago, Illinois

8 **Guest Speaker** Have your school doctor give a talk on the type of work that is being done by the school, the city, and the state in making a more healthy nation through preventive medicine

WE READ FROM OTHER BOOKS

9 **General Readings** R Gavian, A Gray, and E Groves, *Our Changing Social Order*, chap xiv, E Hilton, *Problems and Values Today*, I, 314-23, H Kidger, *Problems of American Democracy*, chap v, P Landis and J Landis, *Social Living*, chap xxx, H Patterson, A. Little, and H Burch, *Problems in American Democracy*, chap xxiv, E Ross, *Civic Sociology*, chap ix

10 **Pamphlets.** *Toward a Healthy America*, Public Affairs Pamphlet, No 31, *The Fight on Cancer*, Public Affairs Pamphlet, No 38

11 **Cost of Medical Care** E Brown, *Physicians and Medical Care*, *Medical Care for the American People*, Committee on Costs of Medical Care, University of Chicago, 1932, *Doctors, Dollars, and Disease*, Public Affairs Pamphlet, No 10, *Who Can Afford Health?*, Public Affairs Pamphlet, No 27

12 **Health Insurance.** I Falk, *Security Against Sickness, a Study in Health Insurance*, L Reed, *Health Insurance, Next Steps in Social Insurance*

13 **Biography.** M Shadid, *A Doctor for the People*

CHAPTER 20

RELIGION IS BASIC TO THE DEMOCRATIC FAMILY AND THE DEMOCRATIC STATE

★★★

Democracy rests on ideas of right and wrong that are almost identical with those of the world's great religions. These moral ideas, expressed largely in the words freedom and justice, are intangible but basic. Individuals, families, and whole nations live and die for such ideas.

★★★

Morality and Religion

To all of us religion has one great practical value. It helps us to lead moral lives. No matter what religion we believe in, its major task is to develop morality. For thousands of years man has recognized the need for some force that is beyond and above him, something supernatural which aids him in living.

Some people believe that there is no need for religion. But if man makes his own code of morals with no reliance on religion, he is likely to develop a system of morality that is primarily for his own good rather than for the good of all people. This has often happened and is happening at the present time. Some people claim they are intelligent enough to formulate their own way of living without faith in God. If you know any such people, examine their way of acting very closely. You will notice that it is generally for their own exclusive good.

The Role of Morality. Morality is a way of living and acting. Morality is a code that sets up right and wrong ways of behavior. Anything is right to some people if it helps them. To others it is right if it makes them temporarily happy. However, a better way to judge behavior is this: any action is right if it is beneficial to the welfare of society.

Consider the Ten Commandments. Moses, leader of the ancient Hebrews, formulated this code upon the experience of the Hebrews. Why did he give these laws to the Hebrews as a basis for their actions? Were they particularly applicable to the times and the people, or were they fundamental principles that would safeguard any society?

Examine some of them closely and you will understand that morality defends and aids the social order

"Thou shalt not kill, neither shalt thou commit adultery, neither shalt thou steal, neither shalt thou bear false witness against thy neighbor, neither shalt thou desire thy neighbor's wife, neither shalt thou covet thy neighbor's house, his field, or his man servant or his maid servant, his ox, or his ass, or anything that is thy neighbor's"

The first of these laws is basically one that will promote the welfare of society It is wrong to kill in most communities The feuds of Afghanistan are known the world over, yet those who have visited Afghanistan tell us that it is one of the most backward nations of the world Killing one's enemies leads to a state of uncertainty in which there can be very little planning for the future The result is the stifling of progress

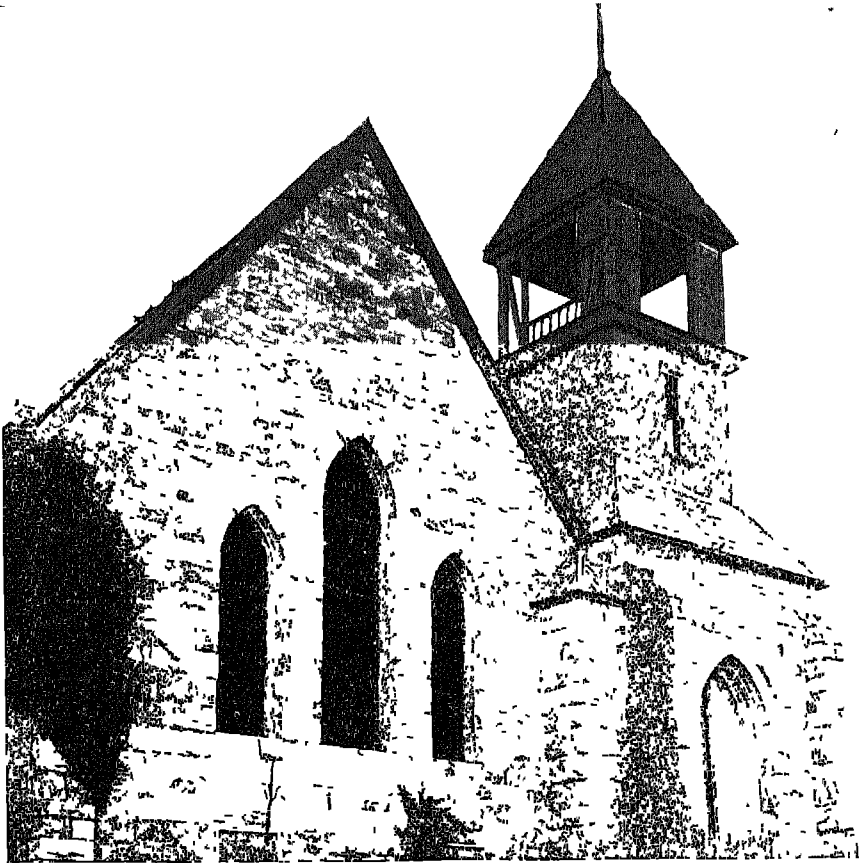
Society decays wherever sexual relations become lax, because immorality breaks down the family unit Once the family is disrupted it is merely a matter of time before the entire society is affected This was true of ancient Roman civilization We have some evidences of family disintegration in our own society Many people do not think that it is wrong to break this commandment They believe that one's morals are a personal matter However, people have an obligation to do their part to make this a better world in which to live The only way this can be done is to promote the welfare of the group

Thievery has always been considered immoral in any society in which there is a concept of private property and ownership To steal is to take the fruits of another's labor. This commandment is certainly understandable to all of us There can be little doubt in any of our minds as to whether or not we would like to have our goods stolen or whether we consider such action right This is because we have a feeling that we have a right to that which we work for and that it is ours We cannot feel that it is the right of another to take it from us Any society which permitted stealing would be in turmoil

Thus, we see that morality is closely related to the effect of our actions on the society in which we live, so closely related, indeed, that social consciousness has become synonymous with morality The person who is conscious of the effect of his actions on society and acts accordingly, is a moral person Up to the present time there have been very few persons who could act in this manner without the aid of religion If this is true, there is still a basic need for religion in any social order Man has not yet reached the stage where he can say "I

have no need for religion I am intelligent enough to do without it" He has attempted to do this several times throughout history However, it is only when man has accepted a religion that great human progress has been made

Religion and Democracy

The Sameness of Great Religions. One of the tasks of religion is to govern our relationships with others. Whether you are a moral or

Farm Security Administration, photo by Rothstein

The church has been losing ground in certain areas of the United States within recent years More recently, however, abandoned churches like this have become a rarer sight as the church has begun to regain its lost ground.

religious being depends upon how you treat the other fellow It will depend upon how you will act in everyday situations You may go to church on Sunday, you may be a deacon in that church, and you may

go to prayer meeting or confession every week—all of this will not make you moral You may be paying wages to your employees far too low for a decent standard of living, you may be collecting graft on a political job, or you may be cheating your way through school The thing that counts is the way you act in your everyday dealing with people There can be no other standard

This concept is so fundamental in all religious beliefs that it has been incorporated as part of all great religions The Hindu says, "Righteousness is that which prevents injury to others Do nothing to others which if done to you would give you pain " The Confucian says, "These things are good, respect for others, charity, sincerity, kindness What you do not like when done to yourself, do not do to others " The Jew says, "What doth the Lord require with thee but to do justly, to love mercy, and to walk humbly with thy God " The Buddhist says, "He who is just speaks the truth and does what is upright and good Minister to others by courtesy, generosity, and faithfulness " And the Christian says, "Thou shalt love thy neighbor as thyself Whatsoever ye would that men do to you, do ye even so to them " Notice the similarity in these five statements They are basically the same They all strive to convince us of one thing, treat the other fellow the way you wish to be treated These are the bases of morality They are also the bases of religion For progress the world depends upon these ideas

Religion and Democracy. Not only are the fundamentals of most religions in harmony with one another, but they are also in harmony with democracy Democracy starts with the idea that the individual man is important and improvable Thomas Mann has written that democracy stands for the "inalienable dignity of man " All religions stress these values The Bible tells us that God is interested in every living thing to the smallest sparrow This idea of the importance of the individual leads, in democratic philosophy, to an application of the Golden Rule in everyday life The purpose of the democratic state is to bring about the greatest good for the greatest number, a purpose that every religion will support Indeed, it is not too much to say that democracy rests on the same moral values as religion Of these values two are all-important Freedom stands for the importance of the individual Justice stands for the regard for the welfare of others Each affects the other so that American democracy, in actual operation, has frequently had to compromise between what individuals want and what is best for the group It seems clear that, if a society is to be really democratic, the people must first believe in these moral

values. In a real sense, therefore, ideas are the foundation stones of a state.

Everyday Life and Morality. There are thousands of people in the world today who are living a moral life. They would do nothing that would harm others. Their actions consider the other fellow. They are people whom you respect and like. They have no enemies, seemingly, and are always doing a good turn for their neighbors.

In the back country of central Maine lives a farmer and his wife. They have a small farm, a few cows, and a large portion of their farm is woodland. They are very poor people, judged from city standards. During the summer the farmer's wife picks wild raspberries and blueberries to sell. In this way she adds to their little fund of cash. To many people they would seem poverty-stricken, but not to the community in which they live. The philosophy of living of this farmer and his wife is wrapped in the idea of trying to help someone in some way every day. By doing so, they feel that they can live more happily and contentedly. The strange part of this story is that they actually live in this manner. They do helpful little things for their neighbors. As a result, the community loves them and in turn they are helped. There is no one who would not say a good word for this couple. They are respected.

This example has been taken from the lives of humble people. They have never been in the limelight. They have lived as moral, upright human beings with no hope of reward from their good deeds. But they have been rewarded. With them, as with all others who seem to be lucky in their lives, their actions brought them success in the real sense of the word. They are living examples which prove that practical morality works. Not only have they enjoyed living more, but their attitudes and actions toward their fellow man have made living more enjoyable for all others who have come into contact with them. There are thousands of other men and women who are living similar lives. Some are famous, but most of them are unknown except by those who come in contact with them in their small community. We all would be living in a better world if people such as you and I would stop talking about religion and morality and actually begin to practice it.

The above is not a new idea. It is old as religion itself. But every once in a while we get all wrapped up in our own importance, we think only of ourselves. We think that worldly goods are more important than the actual process of living. As a result, we forget the other fellow. Then a great human catastrophe looms up and we wonder

why such a thing has to happen to us It did not have to happen. It did happen, though, because we forgot the complete concept of living Today men who have attempted to think through the problems of our times are trying to show us the way out of world insecurity and catastrophe—men such as Thomas Mann and Pierre Van Paassen[1] Each of these men has written books trying to show us that our attitudes toward ourselves and toward others are the things that really count, not the new systems

The Church and Society. So far we have said practically nothing about the church. We have been speaking about that upon which the

Farm Security Administration, photo by Lee

The church still holds a vital interest for young people. This is a Sunday School class in Louisiana

church is founded, religion Without religion there would be no churches The fundamentals upon which all churches are built are the same Churches point out different paths to the same goal. Religion's great task is to aid you to lead more moral lives The church is the instrument used by us to bring this about In performing the

[1] Thomas Mann, *The Coming Victory of Democracy*, New York Alfred A Knopf, 1938 Pierre Van Paassen, *Days of Our Years*, New York Hillman Curl, Inc., 1939.

task of religion, the church has developed certain techniques and ways which are peculiar to it. These techniques are known as dogmas and creed Because it is especially important for each church group to attain the goal through these special means, in many cases the means have been stressed more than the ends As a result, every church, which is no more than a group of people and a leader, must be especially careful not to lose sight of its goal

Another predicament which sometimes arises is that of the church becoming securely attached to the *status quo* As most of you are church goers or church members, you know that the church is supported by voluntary contributions Some people can and do give more than others because they have been financially successful Because of their larger contributions they receive a special place in the council of the church Their wishes are generally taken into consideration in forming the policies of the church If their wishes should be contrary to social progress in the community, there is a great possibility that such an attitude will be reflected in the church

Let us imagine, for example, that there is a large slum area in a city This area is infected with crime, vice, undernourishment, and all those social ills which are generally found in such an area Let us now insert one more factor in this picture The owner of a great deal of this slum property is a large contributor to one of the socially prominent churches of the community The socially conscious people of the community start a campaign to rid the city of this slum area They need the help of all the churches in this task What about the church in which the landlord is a prominent member? Will he allow the church to become involved in a campaign which will cause him to lose money? If he can, he will exert his influence against any such participation on the part of the church Thus in this particular situation the church does not function as a social institution. This is one of the dangers for which the church must be on the lookout If the church is to be a functioning social institution, it cannot become attached to any particular system or any particular viewpoint It must be free to act and, as the church consists of its members, those members must be ever on the alert

The church should be a great factor in the development of society Its original purpose is that of bettering the society of which it is a part To do this it must not allow itself to be controlled by any particular group within society If it does, it no longer can be a free institution acting for all the people There have been times in the recent history of the western world when this has happened It must

not happen in the United States We must always keep in mind that religion is for all the people and not for a few No church should be labeled a rich church or a poor church, but should be known as a humanly moral and understanding church. It will necessarily have to

Farm Security Administration, photo by Rothstein

In rural areas the church provides a large part of the community social life. This is a church social in Vermont

combat the evils of the world as they appear It cannot shut its eyes to any evils because they add to the welfare of a small or preferred group It must always fight for that which is right

Racial and Religious Toleration

Is the Other Fellow So Much Different from You? Ethnologists have been doing a great amount of research on the question of racial superiority They have been attempting to determine whether a man is inferior if his skin is of a different color than that of others All the work of the ethnologists tends to prove that there are no inferior races Races have developed in different ways, due to environment, but psychologically and physically they have very few differences All human beings are more alike than they are different

But We Still Have Prejudices If the above is true, let us see where this concept leads us If there are no marked racial differences, then why do we see such a difference in our treatment of others? Why is

the Negro so often kept from the full benefits of democratic society? In many cases his retarded mental and social development is due to the environment in which we, the white people, have forced him to live. We have a prejudice against him, we have not forgotten that his ancestors were slaves. We have segregated him into slum areas. We have limited his education. In some states we have been more than forceful in trying to "keep him down." "Jim Crow" laws have been passed. The segregation of colored children in their own schools has been made legal in 19 states. In those states the teachers in the Negro schools have only two-thirds the amount of training that the teachers in the white schools have. The teachers of Negro children have 40 per cent more children in their classes, and receive a little less than one-half the pay of their white school colleagues. If there is to be equality of all men, we must start with education. Equality can rest on no other basis.

Not only has the Negro been slighted in education, but he has been constantly pushed out of various fields of occupation. There was a time when he was pretty certain of getting a job in the personal service occupations, but this time has passed. Prejudice keeps white people from consulting competent Negro doctors or lawyers. Labor unions, to a great extent, have excluded the Negro from membership, and, as a result, they have automatically excluded him from jobs.

The Negro finds that he has very few rights as a citizen. In the North he may vote, but in parts of the South his right to vote is hedged in by restrictions which actually exclude him from the polls. The amount of exclusion increases directly as one moves southward in the country. In Mason County, Alabama, where the famous Tuskegee Institute is located, there are 5,000 literate Negroes, yet only 20 of them are registered on the voting lists. In addition, the Negro has been barred from jury service. Thus, he is refused trial by his peers. In some cases, he has even been refused trial—he has been lynched.

Yet out of all this suppression of opportunity have arisen such persons as Booker T. Washington, George Washington Carver, Paul Robeson, Marian Anderson, and W. E. B. Du Bois. These people have reached the heights in the most learned and cultured professions of man.

The Gifts of All People. The population of the United States is made up of all types of people. There has been wave after wave of immigration from all parts of Europe. Various national stocks have

been poured into this melting pot, and from the process of assimilation we have produced our American culture This is natural, because we know from the history of the world that great cultures are formed when there is a mixture of different peoples The great cultural area along the shores of the Mediterranean in ancient and medieval times was the result of mixing different groups with different ideas. This process is one by which the world progresses

This mixing process has given to the United States one of the most vital forces for cultured growth. With each new wave of immigration we have added something worthwhile to the cultural heritage of our country We should be thankful for the presence of each of these various groups rather than look down upon them The United States is what it is because of these people

Immigration started with the formation of the colonies The English came first Then came the Swedes into Delaware, the Dutch in New York, the Huguenots and Germans in the middle colonies and the Piedmont The nineteenth century brought successive waves of Northern European immigrants to our shores By the end of the century, there were many more immigrants from Southern Europe than from Northern Europe We looked upon them as factory workers who were willing to accept low pay They were more than that They were bringing new blood into the veins of America They were enriching it

This enrichment has resulted in the social heritage of the present day If this land was peopled only with English stock, it would have an entirely different culture at the present time. Some of the factors that have tempered the original culture are the craftsmanship and skill of the German, the thrift of the Scotch, the wit of the Irish, the song of the Italian, the Pole's love of the soil, the fatalism of the Russian, the stolidness of the southern Slavs, and the rhythm of the Negro These things have become part of America They have been woven into the fabric of our nation and have become part of our outlook on life There is no basis in our present system for anyone to look down upon another because of the shape of his head or the color of his skin All of us have given our share to the making of a nation Each should be proud of what his group has contributed to our culture and respect the offerings of the other groups

The Universality of Culture. Man's greatest accomplishments have been in the field of the mental and the spiritual Throughout history the important ideas are those relating to the mind and the spirit All groups have pooled their knowledge, and, as a result, we are much

farther ahead than we would be if each group had remained isolated We see many examples of this in all fields of endeavor For instance, the radio is definitely an international accomplishment A German, named Hertz, discovered the ether wave An Italian, Marconi, used these waves for the transmission of wireless messages The work of these two persons was supplemented by an American, De Forrest, who invented the audion bulb The combined efforts of all three have been furthered by research laboratories to bring us the radio There are other similar situations where men in various parts of the civilized world are giving their little bit, which, when added together, leads to the great discoveries of science No one nation or group has ever had a corner on culture

In the field of the spiritual, there is no greater medium than music This has been called the language of the spirit Music gives to almost everyone an emotional or spiritual stimulus Some of the most impressive portions of our modern church service are its music The great chorales of Bach, the great oratorios of Handel, such as the "Messiah", the moving "Pilgrim's Song" of Tschaikowski are examples of some of our church music But the universality of music would be brought to you with still greater force, if you were to plan your own symphony concert No doubt, you would include Beethoven, Bizet, Rimski-Korsakov, Elgar, Herbert, Sibelius, Grieg, and Verdi Look at the nationalities you have included—German, French, Russian, English, American, Finnish, Norwegian, and Italian You would have an international program This would necessarily be the only thing you could do because to find the great in music, you must go through the world and pick a choice bit here and there If you were to select your concert from the operas of the world, you again would find that you had an international program

Good literature is one of man's greatest pleasures Here again we find that the great are not only in one country Shakespeare of England, Goethe of Germany, Corneille and Racine of France, Dostoevski and Tolstoi of Russia, Ibsen of Scandinavia, Dante of Italy, and Cervantes of Spain We can add to these the names of many moderns In the lists of the 100 great books there are authors from all parts of the earth

You may ask why we should attempt to impress upon you the fact that all nations and all groups have aided in building our culture of today The reason is not hard to find All of us have become extremely smug about our own particular group We often believe that

we are just a little better than those outside our group or our community When this happens we are lessening our tolerance and understanding of the other fellow We are looking down upon him To do this means to create hard feelings and sometimes conflict So, in order to create within ourselves a humbleness before great works, no matter what their source, we must keep in mind that no one group has a complete monopoly in the realm of the mind and the spirit Each has done its bit You will have more understanding of your place in life if you remember this

The Nazi Concept of Race. Today in Europe there is a cult of race This is seen particularly in Nazi Germany There they preach about pure Aryanism They have conceived that there is only one superior race in the world—the Aryan By a race of superior quality, the Nazis mean to say that Germany has the most superior people in the world One of the great tasks of Germany is to keep this race pure and to eliminate all non-Aryans By doing so, she believes the nation will rise to the greatness that is her due. Such is the belief of present-day Nazism

The ethnologists tell us there is no truth in this racial mythology They tell us that in the modern world there is no such thing as a pure race except in the extremely isolated areas of the globe Germany has been the crossroads of Europe for centuries Likewise, it has been one of the great battle grounds With such a background, there can be no purity of race in Germany Nevertheless, this belief has long been held in Germany The spirit of the people and the resulting nationalism were developed through the same manner during the period following 1809 Fichte and Hegel were the philosophers of race at that time. And they were followed by Treitschke and Nietzsche later in the century. Today it is Rosenberg's myths that are spread by Goebbels

Aryanism in its development has been one important factor in the attack on non-Aryans, especially Jews This attack, which has been advertised as a part of the fight to purify the race, is basically another matter The Jew with his wealth and position has become the scapegoat The persecution of the Jew is not, primarily, a racial matter, it is an economic and financial matter However, when one's policy includes such an idea as race purity, the minorities are going to suffer And it is well to pick minorities whose persecution will be profitable. The Jew had no government that would protest such treatment Because of this, they were an ideal group to attack.

In conclusion, it can be said that the belief of the superior race gives to the people a perverted idea of their own importance. In the second place, it always means that the minorities in such areas are used as scapegoats and not human beings. In the third place, it generally leads to armed conflict. Thus, the lesson we should learn from present-day Germany is that unless we are aware of the falseness of such a racial concept, we are liable to fall into this same error. We must always remember that there is no scientific basis for such an assumption of superiority.

We Must Guard Against Prejudice. If we are aware of the truth about racial superiority, we will realize that our treatment of the Negro is based on prejudice. But prejudice, which is an unreasoned whim, is the root of many other similar problems. The Ku Klux Klan was originally anti-Negro. The modern Ku Klux Klan is also anti-Catholic and anti-Semitic. The Protestants are prejudiced against the Catholics and the Catholics against the Protestants. There is a rising wave of anti-Semitism, augmented by the refugee problem. There are many other prejudices which along with these must be broken down by awareness of the individual's tendency to fall into this error.

If we but look at each of these problems in the light of reason, they fade and disappear. The Catholic and Protestant should have no feelings against each other. They are both Christian religions, they both are attempting to do the same thing, to make better men and women. It is only when we become involved in creed and dogma and forget the real essence of religion that we develop such prejudices. If any religion has made a man a better being, it has accomplished the true task that it originally set out to perform.

We could cite many examples of prejudice but they would all lead to the same conclusion: that man very seldom thinks when dealing with others who are outside of his group. He jumps to conclusions. He judges the many by the few. He is biased because of his environment. There is a need to guard against making judgments concerning our fellow men until we think. If we can develop such a habit, this world of ours will be a much better place in which to live. One of the grandest traditions of American democracy is that of racial and religious toleration.

Unit Summary

It is idle to presume that any family can attain perfect future security, either economically, physically, or spiritually. Nothing in this

world is certain "except death and taxes," as Franklin said. Savings may vanish, investments may go bad, and insurance premiums may lapse. All will suffer ill health and death. All will face moral crises. Security is thus a relative term and our aim might be to do as well as we can to lay foundations for as much security as possible.

There is no question but that security is largely an individual and family matter, despite social security and free medicine. People who take a long range view, who plan and save, who conserve their health, who have the strength of religious faith, have laid the foundations for as much security as there is. Others with the same income but less vision have spent their earnings, their health, and their future. American democracy is still based on individual effort and courage. That effort and courage can build a great nation only when it is used wisely and energetically.

Beyond this great part of our population, there are many others who can have no security at all. These are all the individuals and families whose incomes are only enough for subsistence. Some may lack energy but, in the main, these are the casualties of our industrial age. Democracy must move forward toward freedom from want, while preserving individual initiative as much as possible.

Two general plans of attack are possible: (1) greater production, more employment, better wages to raise the standard of living so that savings are possible; and (2) social measures such as old-age pensions, unemployment insurance, and co-operative health measures to provide a degree of security where savings are impossible. The first method is that through which the United States has attempted to reach the goal in the past. Halted by the problems of the depression, we have turned to a greater emphasis on social measures. In the spirit of democratic compromise between individual effort and community responsibility (for which we might substitute freedom and justice), we are trying to work out an economic bill of rights to accompany our political and civil Bill of Rights.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest: morality, supernatural, ethnologist, prejudice, enrichment, fatalism, Aryanism, racial superiority.

INFORMATION, PLEASE!

2 **a.** Why are we not able to live by moral codes of our own manufacture? **b.** What is meant by the statement that the Ten Commandments were the result of the experience of the Hebrews? **c** Why has social consciousness become synonymous with morality? **d.** What is the basic idea that permeates all religions? **e** What is the difference between church-going and religion? **f.** Is it necessary that the church avoid entanglements with a particular social system of a particular time? **g** Is there any relationship between democracy and religion? **h.** Why has our cultural advance been stimulated by the successive waves of immigration into this country? **i.** What is meant by the universality of culture? Give examples. **j.** Why must we of a democracy guard against prejudice?

CAN YOU THINK?

3 **a.** The progress of the world depends upon moral ideas and actions Explain the meaning of this statement **b.** In this chapter there is an example of the moral and religious living of a farm couple Explain the meaning of the term success when applied to these lives **c.** We are more alike than we are different Explain the meaning of this statement when used in reference to all races of man

LEARNING BY DOING

4 **Visit.** Go to a church service of a denomination different from that to which you are accustomed Observe particularly how the services are different and how they are alike Report your findings to the class

5 **Book Review.** Read Eva Lipps' *Savage Symphony* and review it before the class Stress particularly the problem of the anthropologist who seeks the truth in present-day Germany

6 **Guest Speaker** Have a clergyman of any denomination give a talk on "Understanding and Tolerance"

7 **Recorded Symphony** Have a symphony concert including the works of composers from various lands As an introduction to each composition, have one of the pupils prepare a two-minute talk on the composer and the interpretation of the composition

8 **Essay.** Write an essay on "The Advance of Biological Science from 1850 to 1900" Show particularly the way in which scientists from various nations and racial groups pooled their knowledge to bring about the advancement in this particular field

WE READ FROM OTHER BOOKS

9 **General Readings.** R Gavian, *Society Faces the Future,* chap xv, E Hilton, *Problems and Values Today,* I, Unit IX, P L Judson, *Social Living,* chap xv

10 **Religion.** F Barry, *What Christianity Has To Say,* E Dimnet, *What We Live By,* T Elliott, *The Idea of a Christian Society,* S Matthews, *Creative Christianity,* R Niebuhr, *Does Civilization Need Religion?* A Silver, *Religion in a Changing World,* H Ward, *Which Way Religion?*

11 **The Other Fellow.** F Hankins, *The Racial Basis of Civilization,* J Langdon-Davies, *The New Age of Faith,* E Lipps, *Savage Symphony,* W Rhoades, *The Self You Have To Live With,* W Seabrook, *These Foreigners,* M McLelland and A DeBonis, *Within Our Gates*

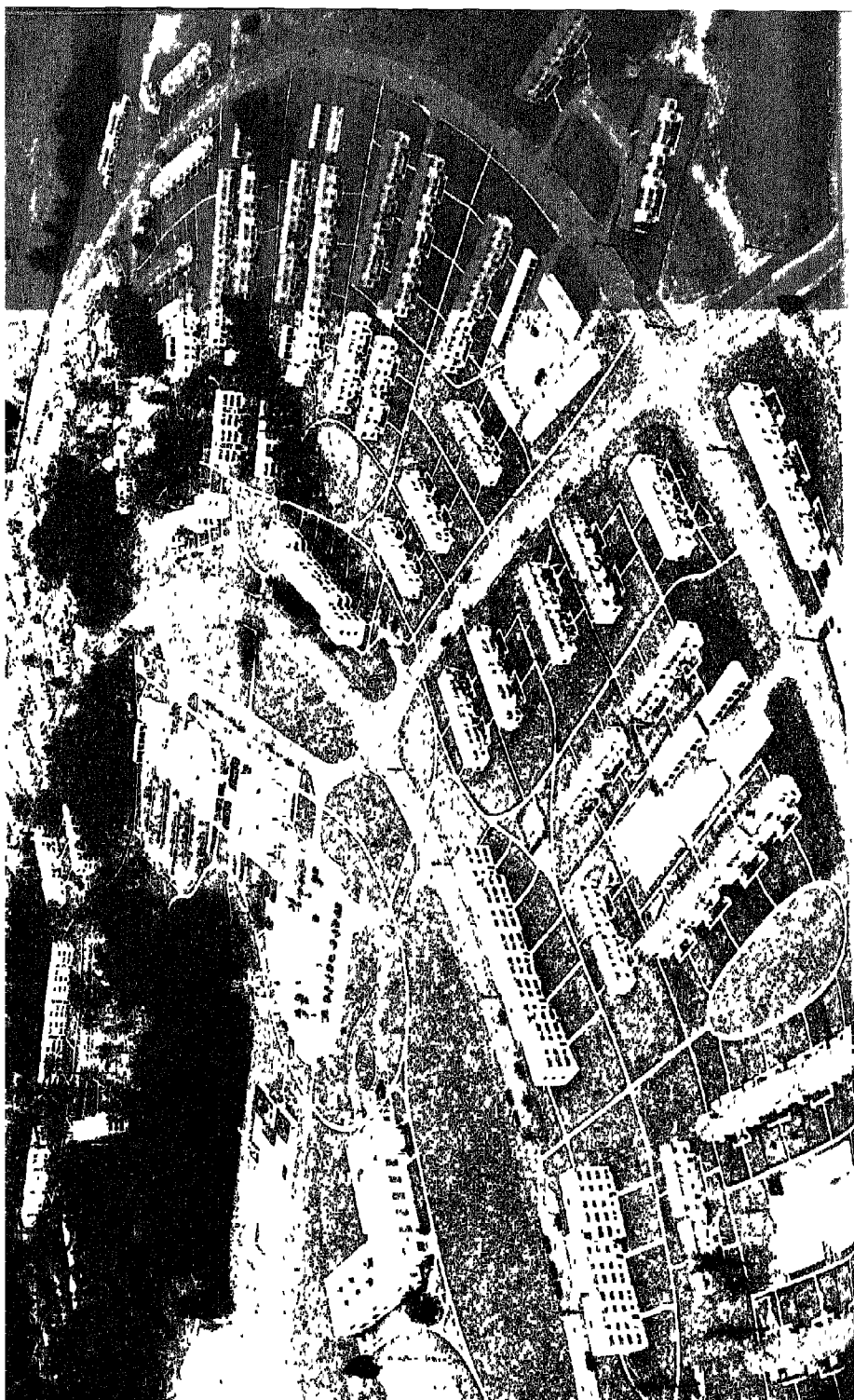
UNIT VII

EVERY INDIVIDUAL, AS A CITIZEN, HAS A VITAL INTEREST IN HIS LOCAL COMMUNITY

****

21. TO ACHIEVE DEMOCRATIC LIVING COMMUNITY PLANNING IS NECESSARY

22. NEW FORMS OF CITY GOVERNMENT ARE LEADING TO GREATER EFFICIENCY

CHAPTER 21

TO ACHIEVE DEMOCRATIC LIVING COMMUNITY PLANNING IS NECESSARY

****

Most of our cities and towns are as typically American as Harriet Beecher Stowe's Topsy, and like Topsy, most of them "just grow'd." Today with the multitude of community services, the complicated problems of community health, public utilities, housing, and government, such haphazard organization is inefficient, costly, and incapable of fulfilling the needs of modern democracy Community leaders now believe that careful planning is necessary to develop those qualities which will make our cities and towns into better places in which to work and live.

****

The Nature of Planning

Why Planning Is Necessary Cows when left to themselves in a hilly pasture will make a network of very satisfactory paths They may not know anything about engineering and straight lines, but they will quickly find the easiest grade up a hill The early residents of Boston were well aware of this fact As the town grew, they simply laid out the streets along the cow paths Today the streets of downtown Boston would still make excellent cow paths, but they are anything but satisfactory for the thousands of trucks and automobiles that have taken the place of those colonial cows

Boston's traffic problem is simply an example of one of the difficulties that face our towns and cities Primarily, the cause of these difficulties is that many of these urban centers grew out of villages in which no one thought of community planning for the future After all, who a hundred years ago had any idea that streets would be crowded with trolley cars, busses, thousands of pedestrians, and darkened by skyscrapers?

It is only within recent years that we have begun to think of our metropolitan areas in terms of health, order, and convenience Buildings crowded together create blighted and congested areas The noise, smoke, and dirt which come from industrial centers choke off the air, and black out the sunshine All of this is a threat to health Most cities have to struggle with such blemishes which cost citizens much money, as well as unnecessary suffering and inconvenience.

The planned community of Greenbelt, Maryland.
Federal Security Administration

With the universal use of automobiles and the building of good roads, people from the cities have moved to outlying districts. Thus economical transportation decentralized the cities. This resulted in an improvement of living conditions for many people. But the city followed them, and soon what had once been a quiet residential area became a haphazard crowd of buildings resulting in waste and disorder. Many residential districts have been ruined by speculators whose only motive in subdividing the land was profits. You can watch the decline of an area, when auto wrecking yards, beer gardens, neighborhood stores, gasoline stations, and billboards begin to make their appearance. Such conditions are caused by a lack of planning and zoning.

Any city, to be a good place in which to live, must plan for its future development. City planning is an attempt to guide and control the physical growth of cities, thereby providing wholesome and healthful surroundings. No city can afford to neglect those things which conserve health, economy, comfort, convenience, and beauty. A city plan must be creative, but it cannot neglect practical requirements. It must take into consideration the necessities, such as public utilities, streets, bridges, pavements, the width of front yards, and the height of buildings. But all of these must be made to conform to the needs of human beings. Attractive communities need not be a luxury, if cities follow those principles which create order, economy, beauty, and harmony.

City Planning in America. The early seventeenth and eighteenth century towns of America show some evidence of planning or design. In the towns of New England, homes, the meeting house, and the town hall were clustered about the village common. The New England village stands as the best community environment that America has yet produced.

Williamsburg, Virginia, is perhaps the earliest of our towns which reflects some formal arrangement. Sir Christopher Wren developed these plans, which were primarily designed to locate a college within the capital of the colony. This college, William and Mary, the governor's palace, and the public buildings, are all carefully blended together and set in a charming location. The whole scheme represents harmony and proportion.

Another example of early planning is the University of Virginia. Its campus is in the shape of a quadrangle, surrounded by beautiful colonial buildings which give the pleasing effect of an enclosed forum. Some of the buildings are connected with colonnades, back of which

are spacious gardens. Surrounded by beautiful trees, this campus gives an impression of seclusion and harmony. Present generations owe a debt to the vision of its founder, Thomas Jefferson.

1. *The Philadelphia Plan.* William Penn designed the original plan of the city of Philadelphia. He provided for a public square at

Farm Security Administration, photo by Rothstein

This Baltimore street illustrates how lack of community planning has been the cause of crowded, inefficient, and unhealthy living

the intersection of two wide thoroughfares. The rest of the city was laid out in rectangular blocks. This is known as the checker-board or "gridiron" plan. This plan has the merit of simplicity, but, on the other hand, it has the curse of regularity and monotony. Very little vision is required for such planning. It totally disregards hills and rolling land, whereas modern planners would build around such obstructions. Motor traffic flowing to and from a business center is not efficiently controlled by the gridiron plan. The plan is wasteful in the use of land and expensive, as it requires more pavements, sewers,

and streets. It is, nevertheless, typical of most later American cities.

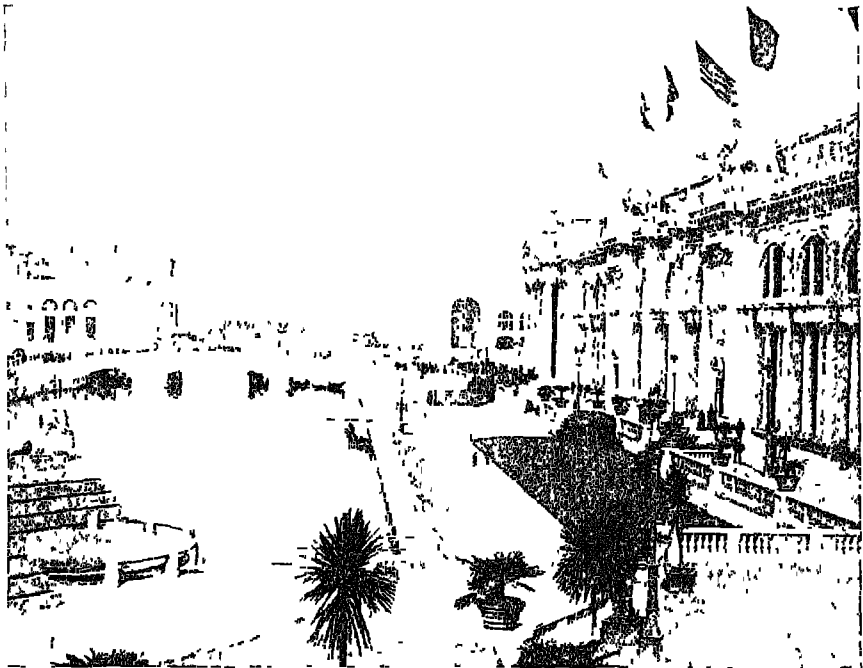
2. *The Plan of Washington, D. C.* Our national capital was one of the first American cities to be planned in advance. Its site was chosen by George Washington. Major L'Enfant, a French engineer, was appointed city planner. He laid out the city in a gridiron pattern with streets running at right angles. Upon these he superimposed wide diagonal streets, which radiated from focal points, as the spokes in a wagon wheel. Another outstanding feature was the Mall, at the center of which is located the Washington monument. Surrounding the Mall are public monuments and buildings. Two of these, the White House and the Capitol building are connected with a famous diagonal street called Pennsylvania Avenue.

The advantage of radial streets is that they provide a more direct route from one section of the city to another, thereby helping to eliminate traffic congestion. It also relieves the monotony of the regular system. While this plan is more satisfactory than the gridiron plan, traffic problems are created where diagonal highways intersect with gridiron streets. Furthermore, where triangular pieces of property are created at such intersections, the architecture of the buildings may become highly undesirable.

For the most part, L'Enfant's plan has been well kept. A railroad managed to find its way across the Mall, but this was removed and a beautiful new Union Station was erected in a more suitable place. Today the original plan for Washington is maintained in principle by the National Park and Planning Commission. New needs and new problems may arise, but only after careful study are modifications made. Washington occupies a unique place of distinction among the cities of the world because of its beauty and the character of its plan. But L'Enfant's plan did not prevent slums, nor provide schools and playgrounds in the right places. Today Washington has nearly as serious a planning problem as other large cities.

3. *The Columbian Exposition.* This exposition was held in Chicago in 1893 and gave inspiration to American cities to develop city planning. Under the foresight and direction of Daniel H. Burnham, architect, and Frederick Law Olmstead, landscape architect, Jackson Park was transformed into a magnificent neo-classic palace garden. Thousands of visitors were inspired with the creation of "White City," its beautiful buildings with towers, lagoons, bridges, and fountains. As they saw what could be done, people began to think in terms of beautiful cities.

As a result of this exposition many cities developed plans for civic

centers, around which they grouped their public buildings Others adopted plans which provided for public parks, monuments, playgrounds, and recreational centers Some concern was shown for improving conditions, which meant better health, morals, safety, and convenience to the general community Engineers, architects, landscape artists, sociologists, lawyers, ministers, and public-spirited citi-

Culver Service

The Columbian Exposition in Chicago, 1893 This exposition did much to awaken growing America to the need for civic planning

zens helped to influence city planning by presenting their ideas and solutions for future growth and development The ideas of school boards, park boards, hospital authorities, public utilities, and real estate developers also came to be incorporated into the general plan By 1900 American city planning had begun to develop rapidly and effectively

Modern Planning

The City Planning Commission Authority to develop plans for the future growth of a city is usually vested in a City Planning Commission or Board This body is composed of 5 to 15 members, and generally appointed by the mayor or city council They usually serve

without pay While individual citizens may not be trained in a technical sense to create plans, they have the power to employ consultants and experts to carry on this work In most cases the commission merely gives advice to the legislative body, such as a city council, and to the administrative branch, such as the mayor The plans submitted may be ignored, they may be modified, or they may become the basis for a planning law Sometimes public authorities are compelled by law to wait until the commission has submitted plans before legislation for public improvement can be enacted In several instances the commission is given full authority, as a board of public works, to plan and carry out public improvements, subject only to the financial authority of the city

By January, 1937, there were 1,073 town or city planning boards in the United States, 933 of which were official In addition, there were 515 cities without planning boards, which had adopted some kind of zoning ordinances. The percentage of large cities having planning agencies is much higher than that of smaller cities In 1934, each of the five largest cities and 79 of the 88 cities between 100,000 and 1,000,000 population had planning agencies Of the smaller cities only 154 of the 14,765 incorporated places of less than 5,000 people had such agencies

There are now planning boards in 46 states and the District of Columbia with the greatest concentration in the following states:

New York	142	Illinois	45
Massachusetts	124	Connecticut	35
California	107	Wisconsin	31
Ohio	89	Michigan	25
Pennsylvania	71	Indiana	23
New Jersey	47		

In spite of this impressive number, many of these planning agencies are inactive and most of them are ineffective This may be due to lack of understanding of planning problems by citizens, by councilmen, or by the board itself The result is that very few commissions are given enough funds to do their work

Money for carrying on the work of these commissions is appropriated by their city councils Some secure less than $500 annually, 40 cities give from $1,000 to $5,000; 39 cities allow over $5,000, 9 cities spend over $20,000 and 4 are supported by indefinite appropriations

The Nature of a Master Plan. A Master Plan must consider both the public and private uses made of the land and of the properties located upon it The planning commission makes a survey to gather

information of the existing physical land uses and of all possible future developments This study will form the basis of future recommendations "Use maps" are drawn up showing the location of recreational areas, residential areas, industries and business properties, and other types of land use Analysis of present land use in relation to population and an estimate of future population make possible an estimate of land-use needs for the future Based on this, the Land-Use Plan, which includes a plan for the distribution of population, is devised as the main element of the Master Plan Other elements of the Master Plan include a Transport Plan for street traffic, railroads, shipping, and airports, a Utilities Plan covering water and sewer systems, and a Public Services Plan covering parks and playgrounds, schools, and public buildings

Important decisions can be made only by thinking of the Master Plan as a whole The plan must consider traffic problems and transportation It must provide for the location of streets, parks, airports, and public buildings It must make provisions for zoning The objectives for a Master Plan must always be in keeping with the morals, safety, health, and convenience of the community There are two requirements for a Master Plan (1) It must be developed by democratic rather than arbitrary methods (2) It must be flexible enough to meet changing conditions

It has been proposed that neighborhood associations be formed to co-operate with a central committee of citizens, who in turn present their problems to the planning commission for solution Hence, by a campaign of education the ideas of citizens are co-ordinated with those of the planning commission in creating the Master Plan

Finally, intelligent planning will be artistic if it is truly practical It must give consideration to private interests, it must also appeal to the community as a sensible solution to its problems

How Zoning Functions. Zoning is one tool used to carry out a part of the Master Plan Zoning may be defined as the legal division of the city into districts or zones, according to a plan, so as to bring about the best use of all land Here is an illustration of how zoning functions

Joseph Bradley owns a modest home in a beautiful, residential section of the city He and his wife are sitting on the porch of their home He suddenly puts down his morning paper.

"Here is an interesting account of a man named Hart, who applied to the Building Commissioner for a permit to build a gasoline station in

this neighborhood. Judging from the description given in the paper, it sounds like the vacant lot next to the Aldrich house across the street."

"That's strange," remarked Mrs. Bradley. "Several days ago some men were surveying that lot, and Mrs. Aldrich asked them if someone was planning to build a new house there. They knew nothing about it as they were merely employed by a surveying company to measure the land and to stake it out."

"It looks as if Mr. Hart will have to look elsewhere for a place to locate his gas station," said Mr. Bradley. "The Building Commissioner turned him down flat on a building permit. He had no choice in the matter, as this district was zoned for residential purposes when the raw land was subdivided into lots."

Mr. Hart, the Building Commissioner notwithstanding, was not the kind of person to recognize defeat. He consulted an attorney, who told him that he could demand a hearing before the Board of Zoning Appeals, to which he promptly took his case.

This Board is composed of five members, whose duty it is to hear and decide disputes of this nature. Mr. Hart presented the Board with a written petition, setting forth his plea. The secretary of the Board notified all property owners in the vicinity of the vacant lot to attend an open hearing on the 30th of March, at 10:00 o'clock.

After receiving the notice to appear at the hearing, Joseph Bradley talked the matter over with several of his neighbors. They notified other home owners and called a meeting at Mr. Aldrich's home, which was attended by over one hundred men and women. After the discussion, a resolution was unanimously adopted to fight any illegal encroachment upon their homes. Mr. Bradley was selected to act as spokesman for the group.

The place where the hearing is being held by the Board of Zoning Appeals is Room 205 in the City Hall. The Board is seated around a table and the chairman calls the meeting to order.

CHAIRMAN. This is an informal meeting and you will all have a chance to be heard. Mr. Hart, since you requested this hearing, we shall give you the opportunity to present your case.

MR. HART. I purchased this property in good faith and paid a high price for it. There was nothing mentioned in the transaction about zoning, nor was there anything in the deed which restricted the use of this property. I can't understand why these people object to a gas station in their community, when the nearest one is over three miles away. Gas stations are as necessary to modern civilization as meat markets and grocery stores. Besides, the architecture of the station will be in keeping with the houses in the community, and the property will be landscapd in harmony with its setting.

If the city council has passed an ordinance telling me that I can't use my own property for beneficial purposes, then I am convinced they

exceeded their authority. If this Board denies my petition for a building permit, I shall appeal to the courts to gain a final ruling on this ordinance, which I am convinced is unsound and unconstitutional.

CHAIRMAN. The people of the community where this property is located have a spokesman named Joseph Bradley. The chair recognizes Mr. Bradley, and this Board is ready to hear his testimony.

MR. BRADLEY. When we purchased property in this district, Mr. Chairman, it was with the understanding that a zoning ordinance restricted it exclusively for residential purposes. If Mr. Hart is successful in defeating the purpose of this restriction, each home will depreciate in value and the neighborhood will become a less desirable place in which to live. If Mr. Hart is successful in his petition, what is to prevent other business enterprises from locating in the community? We recognize the necessity of gasoline stations, but we secure motor fuel while commuting to and from work. We realize the necessity for shopping centers, too, but we don't want them in our front yards. There is one more important thing to consider. A gas station is going to increase traffic, especially heavy trucking on this street. This will create a dangerous hazard for our children. Several hundred of us believe this factor to be of sufficient importance to kill any petition to nullify an ordinance which we had accepted at face value.

We also understand that Mr. Hart owns a fine home in a restricted district. Would he offer no objection if someone proposed to build a gas station or a beer parlor next to his property?

CHAIRMAN. To clarify the purpose of zoning for all parties concerned, I have asked Mr. Edward Brown, an expert employed by the City Planning Commission, to come over and tell us about the zoning ordinance.

MR. BROWN. Zoning, Mr. Chairman, is only a small part of what we call planning. Let me illustrate. Suppose that you were contemplating the building of a new house. If you want this house to be right, you must consult a great number of people—an architect, a contractor, masons, carpenters, plumbers, and electricians. You will plan hundreds of details to make your house harmonious and useful.

We would naturally think that cities would likewise have followed some planning in their development. Like Topsy, however, they "just grow'd." By exercising its police powers, a city may now enact ordinances which benefit the entire community. There is a social value in health regulations, building codes, speed limits, and parking regulations. So it is with zoning ordinances. The city is merely protecting its future growth by controlling the use of its resources.

CHAIRMAN. Mr. Brown, are there any court decisions to show that this kind of legislation has been tested in the courts?

MR. BROWN. Indeed there are, Mr. Chairman. The Supreme Court of the United States has spoken in very definite terms. The principles laid down by the court are now recognized and rarely questioned. In the exact

language of the courts' decision, "a nuisance may be a right thing in the wrong place, like a pig in the parlor, instead of the barnyard" You see, Mr Hart, if you own a car, you cannot park in front of fire hydrants, nor can you drive it to endanger the lives of pedestrians We can't always do as we please with things we own Private property may be regulated in the interest of the community

MR HART Mr Chairman, I want to withdraw my petition to build that gas station If zoning protects the investments of people, I am for it The testimony of Mr Brown concerning the purposes of planning convinces me that I am wrong

Zoning Is Legal. State legislatures have passed enabling acts granting cities the necessary power to carry out zoning programs

Zoning ordinances have been fought in the courts as being contrary to the spirit of the fourteenth amendment [1] The Supreme Court of the United States upheld zoning as constitutional in an epoch-making decision in the case of Euclid Village *vs* Ambler Realty Company This case is considered the cornerstone of planning, and squarely upholds the authority of cities to zone The city council of Euclid, Ohio, a suburb of Cleveland, districted the village by passing a comprehensive zoning ordinance A certain area of the village was in line with the industrial growth of Cleveland Industry was barred from this district by the Euclid ordinance The Ambler Realty Company asked for an injunction restraining the enforcement of the ordinance on the ground that it invalidated its constitutional rights In October, 1926, the Supreme Court decided that private property may be regulated in the interests of the community The police power of the state has thus been expanded to permit cities to control property in the interests of society

Zoning Is Desirable Zoning is becoming a recognized practice in the United States Prior to 1916, only five cities were zoned In 1937 over 1,500 cities had building codes, while the number which have

[1] The legal authority for zoning is recognized under the "police powers" of the fourteenth amendment to the Constitution The Supreme Court has held that the states have authority "to prescribe regulations to promote health, peace, morals education and the good order of the people They may legislate so as to increase industries of the state, develop its resources and add to its wealth and prosperity ' Under this interpretation, the states may pass quarantine laws, suppress riots enact building regulations against fire hazards, condemn private property, abate nuisances care for the poor, divide a city into zones, pass measures for traffic safety, and regulate the employment of women and children in industry Used in this sense zoning does not conflict with the "due-process" clause of the fourteenth amendment

Restrictions as to the use of land are often placed in deeds of conveyance Land in a residential district may be protected by prohibiting its use for gambling, immoral purposes, or for the sale of liquor This is private regulation of land use, as distinguished from public regulation

municipal zoning ordinances in force grew to over 1,300 The advantages of these codes and ordinances are.

1 It enables a city to control the density of its population
2 It enables a city to control the use of land according to the Master Plan, if it has one.
3 It prevents the blighting of areas by setting aside certain sections for each type of land use Thus, residential areas are protected from the kind of building that destroys their value
4 It preserves market values of properties
5 It provides for a more economical use of the land
6 It creates confidence in home investments
7 It prevents the hazards of land speculation
8 It creates health conditions by restricting the height of buildings, by restricting the area of a lot upon which an owner may build, it provides setbacks, lines for front, side, and rear purposes, thereby providing light, air, and sunshine

The courts have held that zoning to restrict racial groups to certain areas so as to exclude them from other districts is unconstitutonal

"Spot zoning" is a method by which certain politicians try to secure special favors at the city hall Some friend may want to erect a dance hall, or an apartment house in a residential area If sufficient political influence is forthcoming, individual changes in the zoning ordinances are sometimes achieved The courts usually overrule these amendments if they are contested

"Zoning by Design" means to plan an area beginning with the raw land When a new subdivision is being contemplated, land planning is relatively simple It is thus possible to locate lots, streets, businesses, homes, and recreational centers in proper ratios depending upon the different uses Less difficulty is encountered when zoning new areas than in trying to zone an old section of a city

Problems for Planners

Special Problems for Planning Authorities. 1 *Housing* When building a Master Plan, city planning agencies must determine where the various types of houses belong This helps to improve housing conditions and protects property values Public housing, too, must be located in proper relation to industry and transportation

2 *The Height of Buildings* No other country in the world has erected so many tall buildings as America The skyscraper has been called an "architectural rebel" Like everything else, there are good,

bad, and indifferent skyscrapers. Some of them are built for advertising purposes, others are erected as a monument to some great capitalist, like Rockefeller, Woolworth, or Chrysler.

There are advantages and disadvantages in tall structures. They are compact and a great many offices can be brought together on a relatively small area of high-priced land. However, their size robs the areas around them of sunlight. One skyscraper in New York City casts a shadow of over seven acres at noon time. Streets which surround them become congested and taxed beyond their capacity during the rush hours of the day. Moreover, many people believe that skyscrapers are uneconomical. They steal land values from other areas and too often they upset an orderly pattern of land use and occupancy.

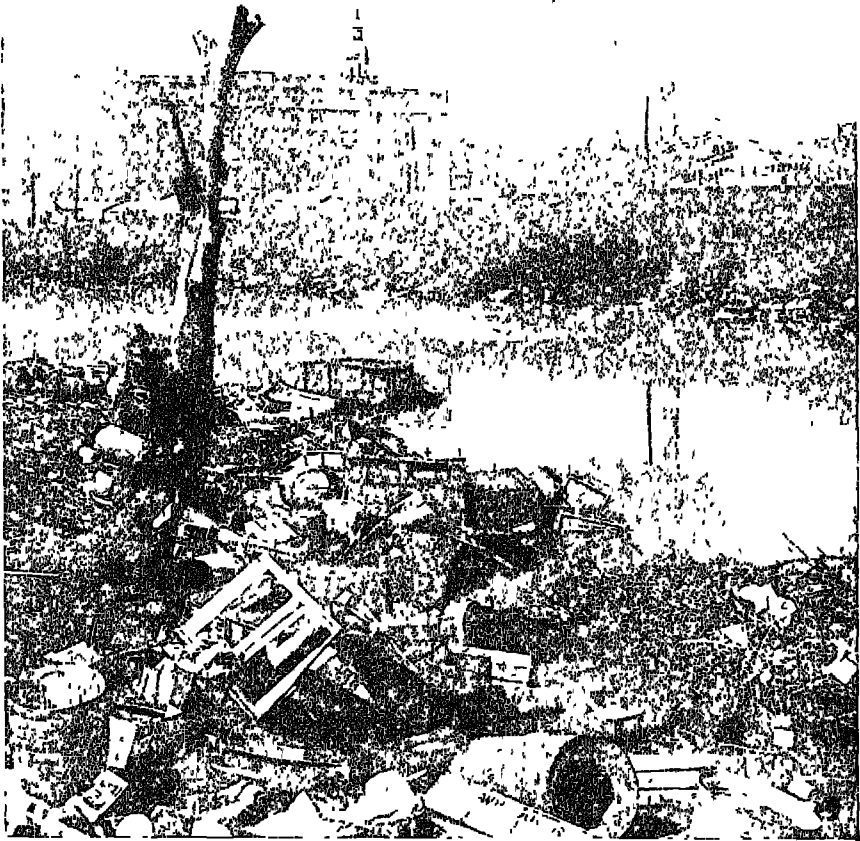
Various methods have been used to control the height of buildings. Some cities increase the taxes for each additional story beyond an arbitrary limit. Other areas are zoned to require setbacks. In such cases a building may be erected to a height of 250 feet, the next 100 feet must be set in toward the center of the building. In effect, this gives the building a pyramid shape and permits more light and air to surrounding areas. The bulk and volume method of zoning buildings sets an arbitrary height, the proportions of the building being based upon the area of land and the width of the street. Very few cities exercise effective control over building heights in their downtown areas.

3. *Billboards.* Advertising is recognized as one of the necessities of legitimate business. But the indiscriminate use of elaborate signs and billboards in places where they distort scenic beauty and definitely lower property values is becoming a questionable practice. Many beautiful highways are converted into "ribbon slums" partly through the use of uncontrolled advertising.

Billboards may become a menace to safety when placed near highway curves and railroad crossings. The National Safety Council says, "The billboard can be a distinct menace to safety if it is so located that it seriously distracts the attention of the driver, or obstructs his view on a curve, or at an intersection. There is only one cure for the hazard—a big dose of public opinion crystallized in legislation."

Roadside advertising has been controlled in a number of states. In 1935 the Supreme Judicial Court of Massachusetts rendered a sweeping decision in regard to roadside advertising. It held that billboards which divert the attention of motorists are traffic hazards. Consequently, (1) billboards may be limited in size, (2) they may be set

back 300 feet from any public park or reservation and 150 feet from any highway intersection, (3) they may be excluded from scenic and historic places and from residential areas

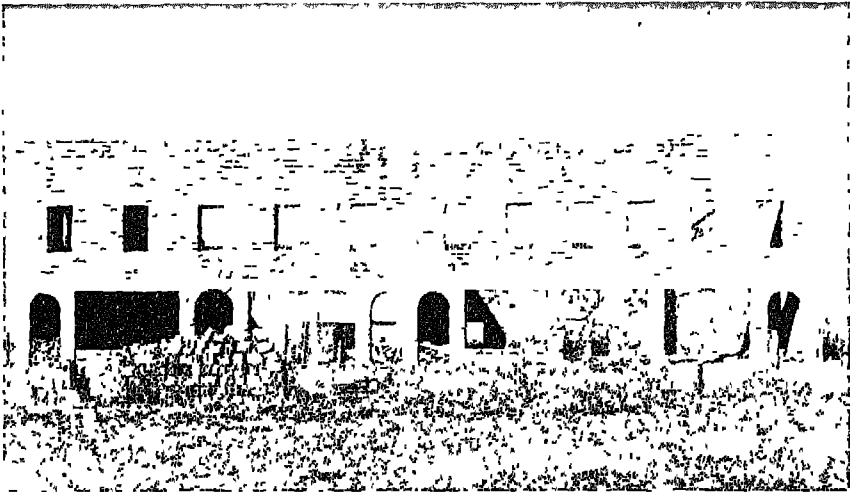
The state of Virginia requires permits to be secured from the Highway Commissioner for advertisements and advertisement structures

Farm Security Administration, photo by Vachon

Here are two problems city government must solve—stream pollution and the smoke hazard

Standards are prescribed for the location and size of signs California has also passed legislation to protect the scenic areas of public highways

The Supreme Court of the United States has held that high taxes may be placed upon signs to discourage outdoor advertising "If the

city desires to discourage billboards by a high tax, we know of nothing to hinder, even apart from the right to prohibit them altogether"

4 *Smoke* Our cities have the great problem of combating smoke and soot The air becomes polluted from the misuse of coal and oil in factories, heating plants, locomotives and the furnaces of houses Smoke creates a foggy atmosphere and is recognized as a menace to good health It increases laundry bills, it affects shade trees and green vegetation It necessitates the more frequent painting of wooden buildings and the cleaning of stone and cement structures

Farm Security Administration, photo by Lee

Waste is one of the great social costs of unplanned communities This is all that is left of the shopping district of a town left stranded when an Oklahoma oil boom collapsed

It has been calculated that in Detroit 17 tons of soot settle annually upon every square mile of the city The Fuel Research Laboratories estimate that damages from smoke and the waste of fuel amount to more than 500 million dollars a year in the United States

Scientific methods have been developed to measure the density of smoke City ordinances have been passed attempting to regulate smoke hazards Smoke inspectors have been appointed to detect violations of the law Smoke regulations, however, are hard to enforce The best results are obtained by educating the public and securing their cooperation in combating the smoke menace

5 *Elimination of Non-Conforming Uses* Zoning ordinances are usually not retroactive except when applied to nuisances For example, an apartment house cannot be condemned by a zoning ordinance if it existed in a residential district prior to the enactment of the

ordinance. But when a city expands so that homes grow up around certain industries and business uses, such as soap factories, slaughter houses, brickyards, and laundries, the industries may be condemned in the interests of public welfare, on such grounds as sanitation, fire hazards, lack of drainage, or uses that are detrimental to health. Zoning can never be effective until a fair method of eliminating non-conforming uses has been developed.

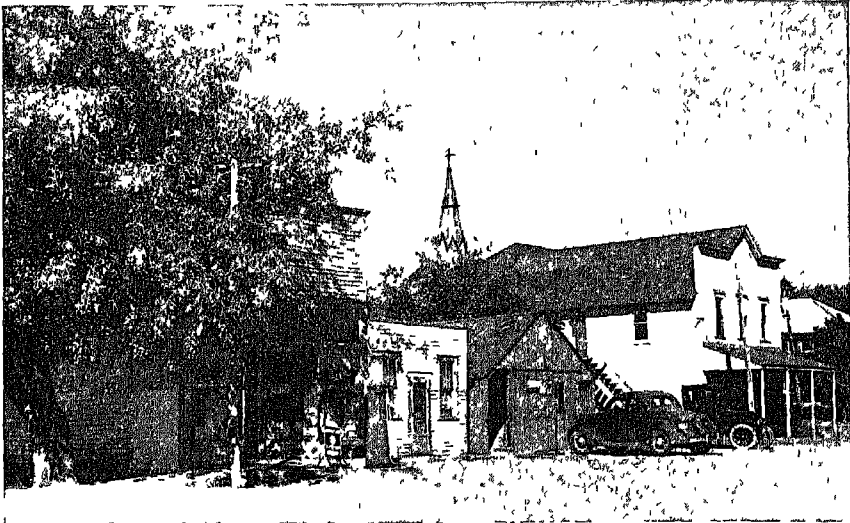
Regional Planning. Large communities become decentralized when people move to the suburbs to avoid noise, congestion, and to enjoy a fuller life near nature. This creates a metropolitan region, one that contains local political subdivisions grouped about a central dominating city. Living in a similar environment, these communities should have common purposes and neighborhood interests. Planning does not stop at artificial boundaries, for there are too many problems which are common to the city and its satellites. If each tries to retain its individuality, usually none makes a contribution toward solving their joint problems.

For this purpose county planning has been authorized in 26 states. The purpose is to co-ordinate the activities of any particular region. Certain gains can be made by consolidating such activities as the paving of streets, building bridges, water mains, sewage systems and providing fire protection. By regional zoning ordinances, we can prevent beautiful highways from becoming "ribbon" cities with a "shoe-string" growth of gas stations, "hot-dog" stands, auto camps, beer gardens, stores, and garages.

California leads other states with 24 regional planning associations. The Los Angeles County Regional Planning Commission is one of the oldest, having been organized in 1923. It controls an area of 4,085 square miles, with 44 incorporated units and a population of over two million people. The Commission plans and controls sanitary storm sewers, street lighting and a comprehensive county park system. It makes plans for highways, zoning, and land subdivision. It is also interested in landscape designing, and protection of scenic beauty. Many other communities have adopted similar forms of regional planning and control.

State Planning. The state planning movement has grown in strength and importance since the creation of the National Planning Board in 1933. This Board and its successor, the National Resources Planning Board, have been influential in helping to create 46 state planning bodies before 1935. Thirty-nine of these have become permanent planning boards in their respective commonwealths.

Almost every State Planning Board has tried to get a picture of the

state concerned—what type of people live there and the probable shift of population These boards have examined problems of subsistence, income, and health conditions An investigation has been made of the physical resources by various states These include land, water, minerals, forests, and recreational facilities They plan how agricultural lands may be put to better use They have attempted to develop methods of conserving our vanishing resources, such as coal,

Farm Security Administration, photo by Rothstein

Transportation has a great effect on community life. This village is declining because of good roads and automobiles which carry the surrounding farmers to larger towns for their shopping.

iron ore, gas, and oil Efforts have been made to rebuild forests, protect streams from pollution, preserve wildlife, and to conserve our play spaces and points of historic interest Transportation problems have been studied with an attempt to integrate highway systems with other methods of transportation such as air, water, or rail These plans were developed after inventories and statistical data had been carefully assembled

Another major activity of the State Planning Board has been the assistance given to counties, districts, and cities by furnishing them with legal and technical advice for zoning and planning

Two types of county zoning are now in use (1) urban, with the control of roadside and suburban development, and (2) rural, which is intended to control the rural uses of the land, such as agriculture, forestry, and recreation

Several states have developed a new method of regulating the plot-

ting and subdivision of the land through licensing real estate salesmen and brokers. Their licenses may be revoked if there is evidence that their methods violated any of the subdivision provisions of the law.

Conclusion. A city is an ever-growing organism. Its growth is never complete; it changes continually to meet the needs of the times. Recognizing that this growth must be controlled for orderly development, a progressive community provides a long-range program. Planning is nothing more than an intelligent attempt to develop a useful picture of what the community should be.

A Master Plan helps to prevent a helter-skelter development of the community. It serves as a guide to elected and administrative officials, who must decide questions of policy relating to pure water, sewage disposal, recreation facilities, slum-clearance, transportation, housing, population distribution, and other problems. The activities are coordinated into a comprehensive land-use pattern by the planning board.

While one of the goals of planning is to provide beautiful surroundings, its larger aims are to make the community a convenient, useful, and healthier place to live. As a prospective property owner, you want assurance that an investment in a house is protected by zoning ordinances. As a business man, you will want to select a factory site with adequate transportation facilities. You will want to be sure that your plant will not be condemned as a nuisance because it was built in the wrong place. As a citizen, you will welcome planned schools, recreation facilities, and controlled traffic.

The ultimate goal of city planners is to establish a planning board in every city, town, and village. While this may be a far-reaching objective, recent trends show that official planning boards and commissions are increasing in the United States.

There can be little value to planning, however, unless it is backed by public opinion. Public officials will not appropriate funds to support planning boards unless there is strong public sentiment in its favor. People must be educated to realize that wise planning is an investment from which they will receive full value for their money.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest: city planning, Williamsburg, gridiron plan, mall, planning com-

mission, White City, Master Plan, land-use maps, neighborhood associations, zoning, police powers, spot zoning, zoning by design, setback, nonconforming uses, regional planning

INFORMATION, PLEASE!

2 **a.** Describe the nature of planning, and show why it is both desirable and necessary **b** Enumerate some of the early attempts to plan in America and show what effect the Columbian Exposition had on the planning movement **c.** What are the functions of planning commissions, and to what extent are they being used in the United States? **d.** Describe the nature of a Master Plan, and show how it is created **e.** State the facts in the case of Euclid Village *vs* Ambler Realty Company, and show how the police powers are invoked to carry out the legality of zoning **f.** Give reasons for the desirability of zoning **g** Enumerate some of the special problems which planning authorities must face **h** Explain the purpose and nature of regional and state planning

CAN YOU THINK?

3 **a.** What obstacles stand in the way of completely rebuilding our cities to conform to a designed plan? **b** How does planning provide for higher standards of living, and lower living costs? **c** In spite of the fact that Washington, D C, is a planned city, its slum problem is as great as any other city Why? **d** Many of our large cities are in reality a combination of satellite towns What common problems do they have which the city planner must try to solve? **e** What planning problems has the automobile created for cities? **f.** Of what importance to the city planner are (a) population changes, (b) employment, (c) tax rates, (d) traffic accidents, (e) transportation, (f) new housing developments?

WE LEARN BY DOING

4 **Map.** Make a large map of your city or town, designating with colors the location of churches, schools, hospitals, factories, stores, filling stations, beer gardens, apartments, hot-dog stands How could many undesirable features have been eliminated by zoning ordinances?

5 **Committee.** Arrange for a committee to interview a city planner who is employed in a City Planning Commission Find out all you can about the Commission and its functions Are members appointed or elected? How much money is spent for planning? Ask about the Master Plan and zoning regulations Report to your class

6 **A Special Report.** Write a special paper on "How My Community Can Be Improved" Suggest a long-range community plan with practical suggestions List the sore spots that could be eradicated Consider such fac-

tors as streets, utilities, and transportation Show how the community could be beautified with more trees and shrubs, elimination of billboards, and telephone wires

7 **Plan.** Make a large-scale drawing showing the plan for a model community of about 1,500 people Develop a civic center, around which group the library, churches, and public buildings Place all the activities necessary to the life of a small community—retail stores, garages, schools, and small industries—in their proper relation to dwelling houses See Federal Housing Administration, *Planning Profitable Neighborhoods,* Technical Bulletin No 7, *Successful Subdivisions,* Land Planning Bulletin, No 1, and *Planning Neighborhoods for Small Homes,* Technical Bulletin No 5 These may be secured from the Superintendent of Documents

8 **A Written Paper.** Let each member of your class write a paper of 500 to 1,000 words on the subject, "Planning for Social Progress Is a Challenge to the Intelligence of a Democratic Society" Discuss some of the best papers

WE READ FROM OTHER BOOKS

9 **General Readings** Pamphlets *A City Planning Primer,* Superintendent of Documents, Washington, D C , *Rural Planning—the Village,* Farmer's Bulletin, No 1441, Superintendent of Documents, Washington, D C , *Citizen, Youth and Town Planning,* New England Town Planning Association, 491 Boylston Street, Boston, Massachusetts, *Zoning, a Statement of Principles and Procedure,* Chamber of Commerce of the United States, Washington, D C , *A City Planning Primer,* Bulletin No 11, Purdue University, Lafayette, Indiana, *Building America,* V , No 2, "Community Planning", J E Colcord, *Your Community,* Russell Sage Foundation, N Y

10 **Elements of City Planning.** Consult T Adams, *Outline of Town and City Planning,* chaps xi-xii, H M Lewis, *City Planning, Why and How,* chaps xxiii-xxiv, K B Lohman, *Principles of City Planning,* chaps iv-v and xix

11 **Zoning** Consult T K Hubbard and H V Hubbard, *Our Cities Today and Tomorrow,* chap xi, H M Lewis, *City Planning, Why and How,* chap xvi, K B Lohman, *Principles of City Planning,* chap xvii

12 **Parks, Playgrounds, and Recreation** Consult T K Hubbard and H V Hubbard, *Our Cities Today and Tomorrow,* chaps xv-xvi, H M Lewis, *City Planning, Why and How,* chap xvii, K. B Lohman, *Principles of City Planning,* chaps xiii-xiv

13 **Garden Cities.** Consult T Adams, *Outline of Town and City Planning,* pp 273-76, Ebenezer Howard, *Garden Cities of Tomorrow,* R Hudson, *Radburn, A Plan for Living,* K B Lohman, *Principles of City Planning,* chap xvi

CHAPTER 22

NEW FORMS OF CITY GOVERNMENT ARE LEADING TO GREATER EFFICIENCY

★★★

Democratic city government is one which is efficient, truly representative of the people's wishes, and capable of providing all the services a modern urban center needs. In the past, American city government has not always lived up to this ideal. In an effort to meet this challenge to our democracy, we have developed modern forms of city government and attempted to modify city charters so that city dwellers can more effectively work out the problems with which they are faced.

★★★

The Functions and Usual Government of Cities

The Growth of the Modern City. The modern city is a distinguishing feature of our civilization. The census shows that one of the outstanding characteristics of our population movements has been the growth of urban centers. Many factors help to account for this drift. Developments in transportation and construction have made it possible for large groups of people to supply their wants together. The factory system has been a centralizing influence, for men have come to the city in the hope of finding industrial employment. The centralizing of industry has tended to produce the same effect on capital, so that new enterprises have sought locations near the source of financial resources. Modern farm machinery and improved methods of agriculture have released men from the soil. Immigrants have largely settled in urban areas. All these factors affect one another to produce increased growth. The original location of the city may have been dictated by transportation facilities, resources, or accident. Industry attracted workers from the farms or foreign countries. The returns from industry built reservoirs of capital. New industries were attracted to these centers. This is the sort of "snowball-down-hill" influence that we have noticed before. In addition to these basic influences, people, especially young people, have moved to the city because of educational advantages, and opportunities for amusement which make possible a more active social life. The story of the country boy making good in the city is a familiar theme in the American story.

Since the First World War the United States has rapidly passed from an agricultural to an urban and industrial nation This means that over one-half of our people live in centers with a population of 2,500 or more Nearly a sixth of our population lives in our 10 largest cities As a result, modern cities find themselves confronted with demands for increased services The volume of governmental activity for New York City, for instance, is greater than for New York State Cities find themselves trying to solve social and economic problems that are difficult and complex Governments that worked well in towns of a few thousand people may be wholly incapable of handling problems that arise in cities of many thousands

How the Functions of Cities Change The functions performed by our cities in colonial times were relatively simple The following list is an example of the codified laws of Albany and New York City in 1775 They show the relative simplicity of the duties of the town authorities

Sunday observance
Regulating the making of bread
Regulating Negroes
Preserving the commons
Establishing a night watch
Preventing raffling
Preventing fires
Repairing streets
Prescribing the Oath of Freedom
Regulating the market
Regulating midwives
Setting local weights and measures
Preventing frauds in firewood
Regulating inviters to funerals
Prohibiting hawkers and peddlers
Preventing strangers from being a charge
Preventing sale of unripe fruits and vegetables
Forcing masters of vessels to give an account of their passengers

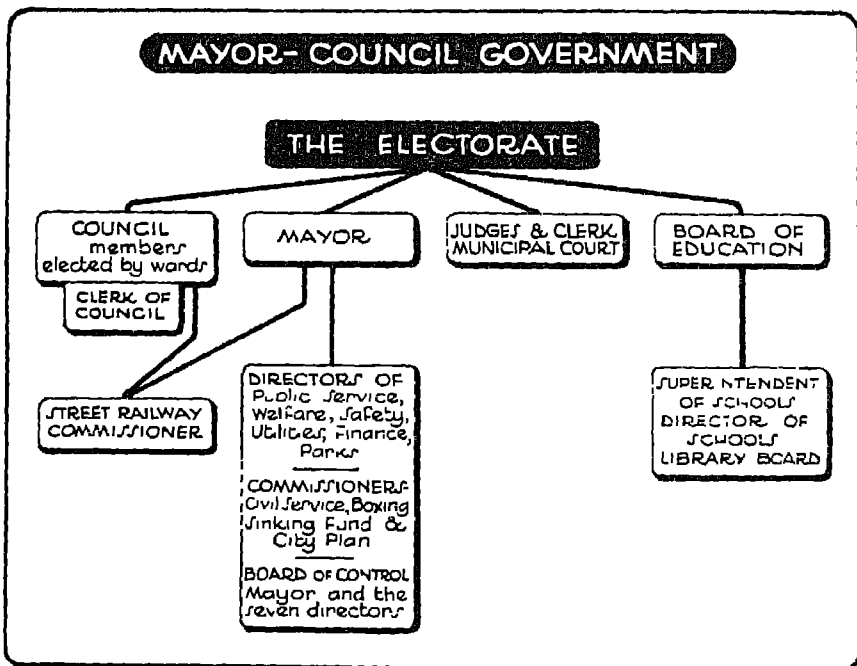
The more complex our urban centers become, the more serious the problem of municipal administration grows The modern city must perform many increased functions necessary to safeguard the health, morals, and the welfare of society Here are a few of modern city duties·

Zoning and city planning, control of traffic, auto patrol, mounted patrol, centralized purchasing, municipal airports, employment agencies, wayfarers' lodges, workhouses, juvenile courts, police schools, inspection of food and dairy products, municipal hospitals, welfare and relief, parking meters, venereal disease clinics, traffic lights, regulation of auto trailers, sewage disposal plants, municipal ownership of public utilities, community centers, playgrounds, golf courses, swimming pools, bath houses, fire protection, parks, schools

Furthermore, our congested populations must be fed, housed, and

educated. Methods of transportation must be established to bring in food supplies, and to move people to and from their work. Life and property must be protected, law and order must be established. A pure water supply must be available, sanitation must be maintained for the preservation of health. The problem of municipal government is becoming so complex that we cannot longer expect solutions from politicians. City government is becoming a field for experts who are trained in the principles of administration, engineering, law, and finance.

As the city continues to give these greater services, the costs they add to government must be met by an increase in revenue. In 1932 our cities spent four and one-half billion dollars, or one-third of the total government expenditures in the United States. The business of city government, therefore, begins to parallel that of modern business enterprise. This calls for expert leadership and administrative ability.

Mayor-Council Government of Cities. The large majority of our cities are governed by a mayor and a council. This type of government is sometimes called the "federal" form because it is modeled after the framework of our national government.

The mayor is elected for a term which varies from two to four years. In those cities which have a strong mayor-type organization,

the office is usually vested with sufficient power by the city charter to make the mayor an outstanding executive. His first duty is to enforce the law. He carries out those administrative functions assigned by the charter and by ordinances of the council. In some cities he is given the veto power over legislation passed by the council.

The mayor appoints the various heads of departments, sometimes called commissioners, to take charge of the administrative units of the city. The most important of these are:

1. Law
2. Finance
3. Safety—including fire and police
4. Public Works—including sewers, streets, highway construction, and engineering work
5. Public Welfare—including parks, playgrounds, recreation, and charities

In some cities the mayor may remove these officers at will. Sometimes these department heads form a cabinet, which meets with the mayor to discuss the problems of the city.

Before an era of municipal reform was launched in the United States, it was common practice for many of our cities to be governed by a two-chambered council. Even as late as 1905, 10 of our largest cities still possessed two houses. These councils proved to be cumbersome and unwieldy, and have been replaced by the unicameral, or one chamber, system. Another feature which was characteristic of city councils was their large membership. These factors did much to weaken the powers of the mayor. The prevailing tendency has been for most cities to reduce the membership of their legislative bodies.

Usually a city is divided into wards, each of which elects a city councilman. His term of office varies from two to four years. The city council passes on the budget, prepared by the mayor. It makes appropriations necessary to carry on the activities of the city. It enacts ordinances for the safety and welfare of the people. These ordinances must not conflict with state or federal laws, and must deal primarily with local conditions.

The success of the mayor's administration depends not only on a strong mayor charter, but also upon the ability of strong executives. Our country has produced many outstanding mayors, such as Brand Whitlock of Toledo, Newton D. Baker, and Tom L. Johnson of Cleveland. Fiorello LaGuardia has been an unusually strong execu-

tive in New York City, while Daniel Hoan served successfully as mayor of Milwaukee for over 25 years

Farm Security Administration, photo by Lange

A committee of the Chicago Board of Aldermen meeting in the City Hall Government in many major cities is conducted largely by such committees.

Defects of the Mayor-Council Type of Government. It was with considerable insight that the late Lord Bryce[1] summed up the results of city government in the United States, when he said, "There is no denying that the government of cities is the one conspicuous failure of the United States" Perhaps the most outstanding reason for this failure is that most of our cities are still controlled by the weak mayor type of government Because the city charter does not fix definite responsibility on the mayor, there is a division of authority. In some cases, the mayor lacks the power to veto legislation. In others, he must secure permission of the council to dismiss subordinates after presenting detailed reasons for his decision Another weakness is the practice of electing important officials, such as auditors, treasurers, and finance officers, independent of the mayor This produces a cumbersome system of checks and balances Such a confusion of duties and responsibilities often results in chaos, because there is a lack of concentration of authority and responsibility in the chief executive

[1] James Bryce, *The American Commonwealth*, 1889 ed, New York The Macmillan Company, Vol I, p 608

Again, the office of mayor is shortlived. After a term of two to four years, he may be retired from public life, even though he has a good record as an administrator. Quite frequently he is forced to run against an opposing candidate whose code of ethics permits him to use sound trucks, or any form of ballyhoo and exhibition to win. Such opponents are often able vote-getters. They do not debate issues fairly, but stoop to practices which an honorable candidate would shun. Men of ability resent such unfair tactics. Their services can command higher salaries in business or industry. They are reluctant to give up security for political uncertainty. The result is that mediocrity frequently reigns at the city hall.

Another practice which has confused the voters is that of electing city officials simultaneously with state and national officers. The latter receive the spotlight on election day, and little attention is given to local affairs. Some cities now hold municipal elections in odd years, thus making the people more conscious of the needs within their own communities. Partisan ballots are another evil in the election of city officials. Until people have learned to vote for men qualified by character and training, and to support only issues which have beneficial merits, regardless of partisanship, they cannot hope to have their cities successfully administered. Many cities have now adopted the non-partisan ballot.

The city which provides for only a weak executive and divided responsibility becomes a paradise for the professional politician. Powerful political machines have been built up in our cities by patronage, through the appointment of relatives, friends, and political workers to jobs on city payrolls. Methods for controlling the votes of the populace, especially those of illiterate citizens, are developed through precinct captains and ward leaders. We need only to read the record of political corruption under such bosses as Croker and Tweed of Tammany Hall in New York City, The Philadelphia Gas Ring, controlled for many years by James McManes, or of George Cox, who controlled Cincinnati, to realize the possibilities for corruption in municipal affairs. Lincoln Steffens,[1] while investigating conditions in American cities, once interviewed "Boss" Cox.

"When I went to Cincinnati from Cleveland I knew the conditions there, what was what and who was who, and early in my first morning, before eight o'clock, I sought out Boss Cox. His office was over his 'Mecca' saloon, in a little front hall room one flight up. The door was open. I

[1] From *The Autobiography of Lincoln Steffens,* copyright, 1931, by Harcourt, Brace and Company, pp. 483-84.

saw a great hulk of a man, sitting there alone, his back to the door, his feet up on the window sill, he was reading a newspaper I knocked, no response I walked in; he did not look up

"'Mr Cox?' I said

"An affirmative grunt

"'Mr Cox, I understand that you are the boss of Cincinnati'

"Slowly his feet came down, one by one They slowly walked his chair around, and a stolid face turned to let two dark, sharp eyes study me While they measured, I gave my name and explained that I was 'a student of politics, corrupt politics, and bosses' I repeated that I had heard he was the boss of Cincinnati

"'Are you?' I asked

"'I am,' he grumbled in his hoarse, throaty voice

"'Of course you have a mayor, and a council, and judges?'

"'I have,' he admitted, 'but'—he pointed with his thumb back over his shoulder to the desk—'I have a telephone, too'"

The inference in the last statement was that Cox could control these officials The power which this man wielded over officials was that of an autocrat His word was law; his henchmen obeyed

Those in power frequently control the actions of both mayor and council Machine politicians have often used the police department for the collection of graft. Public contracts and franchises have been given to friends of the political bosses The growth of bossism can be checked by centralizing the control of authority in an executive whom the people can hold responsible for effective administration People must be made conscious of inefficiency and corruption Through co-operative action, they can have clean municipal government

The Commission Form of Local Government

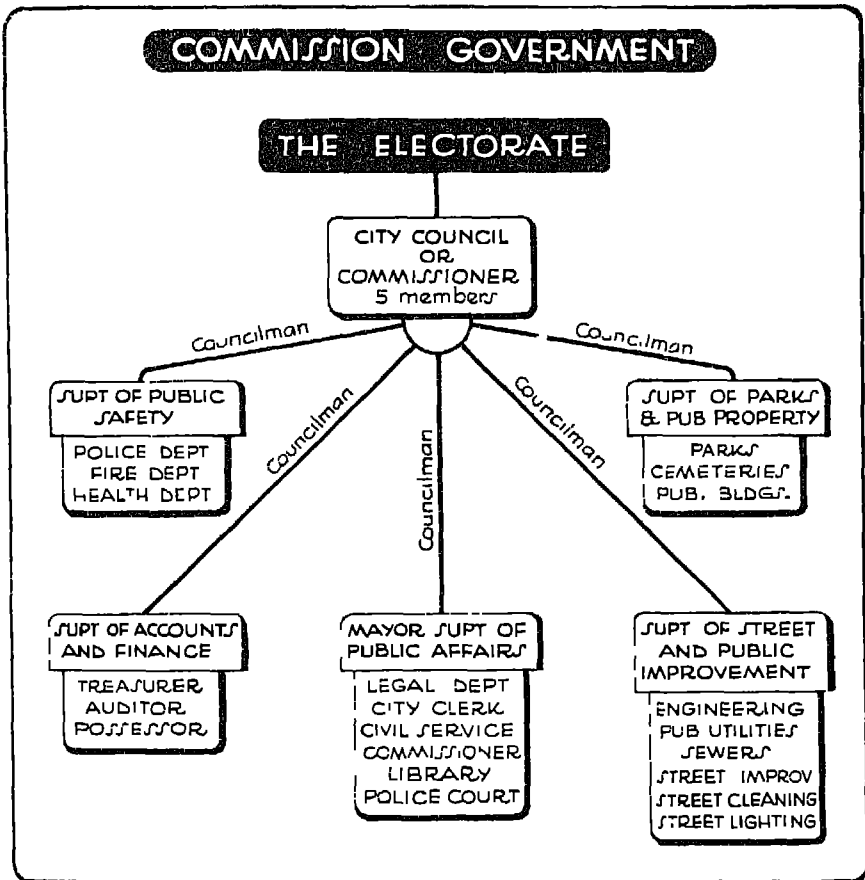
Municipal Home Rule[1] Municipal Home Rule is a provision of the state constitution which permits cities to govern themselves In many states municipalities are free to draft their own charters Usually a charter commission is elected by popular approval This body, with the aid of experts, holds public hearings, then drafts a charter It is

[1] Before the adoption of Municipal Home Rule there was a great deal of interference with cities by state legislatures New York State is an excellent example of how state legislatures adopted "log-rolling" practices From 1902 to 1912 the New York legislature passed nearly 8,000 trivial laws which affected New York City Many related to names of streets, some closed alleys, others granted pensions

Other state legislatures created new positions or raised salaries of city officials who belonged to the party in power Often new positions were created, such as a city finance officer He would be clothed with sufficient power to cripple the mayor of an opposing political party Home rule is the result of an enlightened public opinion which regarded this abuse of power as contrary to democratic principles

then submitted to the electorate To become effective it must be adopted by a majority vote of the people The charter must not conflict with the state statutes, its provisions are subject to interpretation of the courts

Some states provide optional charters from which its cities can choose A Home Rule amendment added to the Ohio constitution in 1912 provided that the legislature could enact optional charters which might be adopted by a vote of the people in any city In 1913 three charters were provided, the "federal" or mayor-council, the "commission," and the "manager" plans Ohio cities are now permitted to draft their own charters

How Cities Are Governed by a Commission The commission form of municipal government was first adopted in Galveston, Texas This city was nearly destroyed by a West Indies hurricane in 1900 About 7,000 lives were lost, 1,000 homes were swept away The water works,

power plant, and other municipal services were destroyed The old mayor and council government collapsed for want of public confidence and support The people turned for leadership to the "Deep Water Committee," composed of business men who had been working for harbor improvement They appealed to the Texas legislature for relief The legislature granted a charter in 1901, and the commission form of government went into effect.

The commission is composed of five members usually elected by majority vote It has joint powers to enact ordinances, grant franchises, and draw up the budget The commissioners choose one of their members as mayor to preside over commission meetings and to act as ceremonial head of the city The mayor has no veto power Besides being a member of the legislative-policy-making body, each commissioner acts as administrator of a department The departments are usually arranged on the following lines (1) police and fire, (2) streets and public improvements, (3) waterworks and sewage, (4) finance and revenue This form of government is unique because it performs both executive and legislative functions

Galveston has had 40 years of success under the commission form of government A great sea-wall, costing over $1,000,000, has been built to protect it from further disaster Galveston's bonds are no longer a liability on the market Public confidence has been restored by reducing the public debt, without increasing tax rates

Since the beginning of the twentieth century over 400 cities have adopted the commission form of government Within recent years, however, some of them have abandoned the plan Its popularity seems to be on the decline

Cities governed by a commission have been, for the most part, run honestly and free from "graft" The number of elected officials is small, their actions can readily be checked In some cities governed by a commission, the officials are subject to popular control, through the use of such devices as the initiative, referendum, and recall

Criticisms of this type of government are (1) that it lacks a single executive head who can act with full authority, (2) there is a division of authority among five men, each of whom can "pass the buck" back to the commission for negligence occurring in his department, and (3) there is little provision made for the services of the trained expert Good administrators are not often obtained by popular election The commission plan is not well adapted to the successful handling of administrative functions that need expert direction

THE COUNCIL-MANAGER PLAN OF CITY GOVERNMENT

The Council-Manager Plan. This plan is an outgrowth of an attempt to find a satisfactory solution to the problem of good city government. These charters call for the election of a small city council, usually from three to five members. The council appoints the city-manager. It also chooses one of its members as mayor, who acts as chairman of the council and as ceremonial head of the city. The principles embodied in the manager plan are (1) those who determine policies shall be elected, (2) those who administer policies shall be appointed. There is nothing new nor theoretical in this plan of government, for the same relationship exists between a school board and a superintendent of schools, or between the general manager of a private corporation and its directors. Under the mayor-council plan we have consistently violated this principle. It appears that we are the only civilized people who insist upon electing administrative officers of cities by popular vote.

The manager is held to strict account by the city council. He has the power to appoint and remove subordinates, subject to civil service regulations. He meets with the council and advises them, but does not vote. The duties of the manager generally include:

1. Enforcing all laws and ordinances.
2. Making recommendations to the council.
3. Preparing the annual budget and keeping the council advised on finances of the city.
4. Preparing such special reports as the council may require.
5. Appointing, removing, and supervising all department heads, and accepting responsibility for their efficient conduct.

1. *Where the Plan Originated.* The first city of any size to appoint a manager was Staunton, Virginia. This city could not create a new government, as its two-chamber council and mayor was fixed by the state constitution. It could, however, under the city charter, appoint new officers. In 1908, Mr. Charles E. Ashburner,[1] engineer for the Chesapeake and Ohio Railroad, was appointed manager. It was fortunate that the council chose an energetic and outstanding executive

[1] The appointment of Mr. Ashburner was quite accidental. A friend who was a member of the council asked him to estimate the cost of making repairs on a leaky dam. The lowest bid of local contractors had been $1,000. Ashburner estimated that the job could be completed for $737. The council followed his advice and it was actually completed for less. Ashburner was appointed at a salary of $2,500 a year; later he went to Springfield, Ohio, at $6,000. Norfolk, Virginia, later paid him $16,000 and in 1923 Stockton, California, employed him at a salary of $20,000.

He was successful in saving money and at the same time in increasing the services rendered The success of the experiment soon spread to other cities.

2 *The Dayton Experiment* Following the adoption of the home rule amendment to the Ohio constitution in 1912, Dayton proceeded to revise its charter A charter commission recommended the council-manager plan It was adopted and went into effect January 1, 1914 This was the first large city in the country to try the experiment Its charter provides for a commission of five members, elected at large, who appoint the manager In addition, the charter provides for (1) non-partisan primaries and elections, (2) the initiative, (3) the referendum, and (4) the recall of either the commission or manager Applying this device of popular control to the manager is really a violation of the manager plan principle He cannot be expected to do his best work if he is subject to popular clamor His immediate responsibility should be to the city council

Dayton experienced heavy losses through the floods of 1913 She wisely chose an able administrator, Mr Henry M Waite His work was successful and the reputation of Dayton for efficient administration quickly spread to other cities, some of which adopted the manager plan

3 *The Cincinnati Experiment* Cincinnati, "the Queen City of the West," had earned a notorious reputation for poor government The city was boss-ridden with machine politics and the spoils system In 1924, Mr Lent D Upson of the Detroit Bureau of Municipal Research was employed to make a survey of the city His report showed that Cincinnati was issuing bonds for current operating expenses, its personnel was inadequate and poorly paid, its civil service was not functioning, streets were in a deplorable condition, and its charitable work and health program had been abandoned

A charter commission recommended the council-manager plan, which was adopted by popular vote A council of nine was elected at large by the system of proportional representation [1] The first manager to be chosen was Colonel Clarence O Sherrill, an army engineer, and formerly Superintendent of Parks and Buildings of the District of Columbia Under his administration the merit system was strictly followed in making appointments, the bonded indebtedness was reduced, and the tax rate was lowered During the depression, the city issued

[1] Proportional representation is a plan for electing representatives to legislative bodies It insures representation to minority groups of any importance Hence if one fifth of the population of a city voted a minority ticket, one-fifth of the council would be representatives of this party

no deficiency bonds, nor scrip, while the salaries of municipal employees were promptly paid in cash The manager refrained from interfering with the duties of the council and devoted his attention primarily to administrative duties Colonel Sherrill was succeeded as manager by Clarence A Dykstra, whose efficient management of the city won for him wide acclaim as an administrator

4 *Its Failure in Cleveland* Cleveland adopted the council-manager plan in 1924, and after a seven year trial abandoned it One of its weaknesses at the outset was its large council of 25 men Though these men were elected by proportional representation, most of them were politicians who readily followed their party bosses in agreeing to a 60-40 split in the division of the spoils of office [1]

The first city manager, William R Hopkins, was a local man with ability and business experience But, instead of managing and administering, he took part in forming policies It was, therefore, only natural that he could stand or fall with the issues which he advocated His partisanship produced antagonisms and he was discharged after six years of service The manager charter was abandoned a short time later when a council-mayor charter was adopted by popular vote

Other forces were at work which discredited the manager plan of government in Cleveland Several city councilmen were indicted, one for bribery, and another for a scandal which involved the purchase of land for the city Both were convicted and served terms in the penitentiary A former councilman threatened to expose others, when he, too, was indicted for having been involved in the land scandals He was shot and killed before the trial This had much to do with creating a lack of confidence in the manager plan

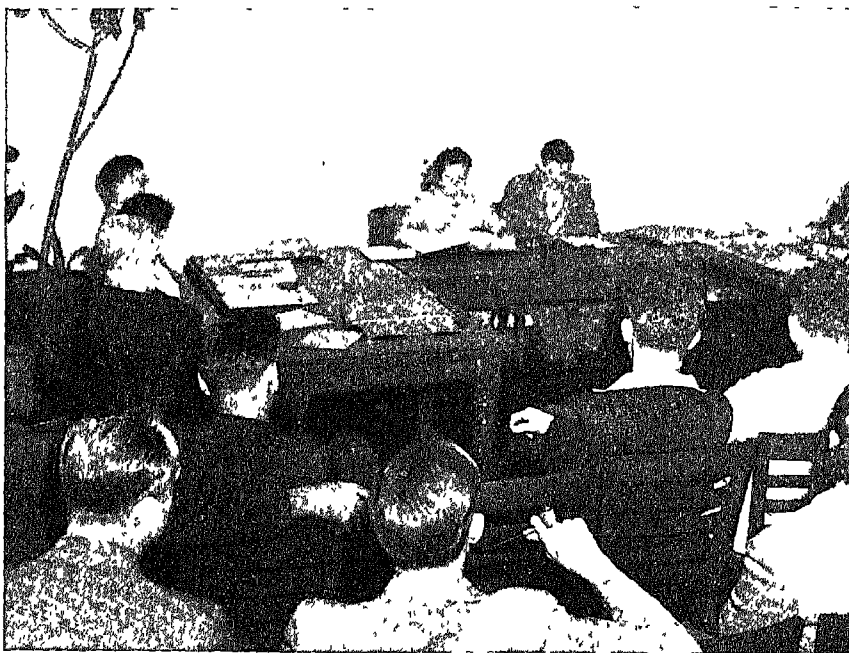
The large foreign population of the city was not in sympathy with the system of proportional representation for electing councilmen, because they did not understand it It was also obnoxious to party leaders, who encouraged opposition to the system

Furthermore, in the midst of the depression a special election was called to vote on a new city charter to re-establish the old mayor-council system Less than one-half of the registered voters went to the polls The manager plan was defeated by a small margin

Finally, party leaders and partisan councilmen continually violated the spirit of the manager charter and of the civil service by making demands upon administrative heads for party spoils and special favors

[1] The city manager plan did not succeed in breaking the old-line Republican and Democratic political organizations The success of the plan in Cincinnati may be attributed to the vigilance of the Charter Committee, which is essentially a local party interested in good government

Perhaps Cleveland's experience is not typical enough to say that the council-manager plan will not work in large cities

Growth of the Council-Manager Plan. The council-manager plan has been adopted by 507 American cities Michigan leads with 48 cities, Virginia, 44 (including three counties), Florida, 39, Texas, 38, California, 36 (including one county), Oklahoma, 30, and Ohio, 23 [1]

Farm Security Administration, photo by Vachon

A meeting of the Town Council of Greendale, Wisconsin This is one of the communities created by the federal government as a model housing unit Here the inhabitants of the unit elect from among their number a council to supervise town government. The close relation of the council to the people resembles the pure democracy of the New England town meeting

The largest city now using the plan is Cincinnati, with a population of over 450,000, while the smallest is Polk City, Florida, with a population of 222 Eighteen cities in the United States with a population of 100,000 or over now have city managers [2] The plan is likewise in use in 13 Canadian cities, and in one in Puerto Rico Of the three cities which use the plan in Ireland, Dublin leads with a population of 400,000 people

[1] Letter from *The National Municipal League*, New York City, August 20, 1940

[2] For a complete list see *Recent Council-Manager Developments and Directory of Council-Manager Cities*, The International City Managers' Association, Chicago, 1940

Is the Manager Plan a Contribution to American Government?

1. *Merits.* American cities have had over 30 years of experience with the city-manager plan. Mr. Dykstra, formerly city-manager of Cincinnati, defends the system by saying:

> "I am convinced that the experience of the last twenty years shows clearly that the city-manager plan is the soundest invention to date."

Cities can be made to operate efficiently and economically by introducing budget systems, by centralizing the purchase of supplies, by adopting personnel procedures, and by introducing the auditing of accounts. Business principles, when applied by experienced and trained administrators, can be made to work when they are divorced from partisan politics and the spoils system. The council must take the leadership in forming policy to preserve democratic control. The manager is then free to carry on his duties of administration with responsibility to the council only. Managers are frequently chosen from some other city. This is an added advantage, as they are free from political pressure and the demands of friends. Every taxpayer and citizen should be vitally interested in a system which promotes economy and curbs expenses of city government.

2. *Defects.* It is sometimes claimed that when the elected executive of a city is abolished for an appointed executive, the people lose control of one of the most effective weapons in the democratic process of government. A mayor comes from the polls with a fresh mandate of the people. He has advocated issues which the people have endorsed. Theoretically at least, he should reflect more easily the will of the people. However, in large cities where the spoils system has become a deeply ingrained habit through ward politics, the mayor frequently represents merely the will of the bosses.

City Management as a Profession. The question has sometimes been raised, "Where are city-managers trained for their profession?" At the outset there were no qualified administrators to fill these new positions. Many of the earliest cities to adopt the manager plan chose professional engineers. It was believed that their experience in constructing bridges, sewage disposal plants, and other public projects would be a valuable asset in running a city. It was soon clear, however, that a successful administrator needed to have a much broader background. Such a job required familiarity with public health, finance, police departments, and recreation. These are all important qualifications that go beyond a matter of mere managing efficiency.

Training for public administration was first begun in 1911, when the New York Bureau of Municipal Research set up the Institute of

Public Administration in New York City Later this work was taken over by the School of Citizenship and Public Affairs of Syracuse University Other institutions, among them the University of California, Stanford University, the University of Michigan, Kansas University, and Texas Agricultural and Mechanical College, now offer graduate courses in the law of municipal administration, public utilities, public finance, accounting, city planning, and public health To secure an advanced degree in municipal administration one must spend some time working in a bureau of municipal research, or serving as secretary to a city-manager

The extent to which the public has accepted the city-manager is shown by the increase of his tenure This is clearly indicated in the following table

AVERAGE LENGTH OF SERVICE AS CITY-MANAGER INCLUDING ALL CITIES SERVED[1]

End of Year	*Average of All City-Managers in the Service*
1915	1 year, 7 months
1920	2 years, 15 days
1925	3 years, 4 months
1930	4 years, 11 months
1933	5 years, 8 months

Most cities pay good salaries for these administrative positions, because of the savings accomplished by taking politics out of the service In 1933 the average salary paid to managers by cities between 20,000 and 30,000 population was over $5,000 The highest salary paid in any city was $20,400

Annual conferences are held by the International City-Managers Association at which matters of professional interest are discussed The Association also publishes a municipal yearbook

Gradually there is being developed a group of professional and trained administrators for municipalities Many of them are being promoted from city to city A successful manager must be honest, tactful, forceful, industrious, and loyal to the best interests of the people whom he serves He must have courage and executive ability He must be able to handle men and to work successfully with people. He must not play politics No man should accept the position unless he believes in the manager plan of government These are some of the tenets adopted by city-managers in their code of ethics While

[1] C E Ridley and O F Nolting, *The City Manager Profession* Chicago The University of Chicago Press, 1934, p 90

many of the political administrators in some of our cities have received unfavorable publicity because of laxity and corruption, city-managers have generally maintained a reputation for high standards of ethical conduct.

Conclusion. Many of our cities still are saddled with corruption and graft in the administration of municipal affairs. They operate under antiquated charters that fail to fix responsibility. As the executive and legislative functions are separated, it becomes easy for the mayor to ignore the council.

Other cities attempted to remedy the abuses of the mayor-council plan by adopting the commission form of government. This plan has the weakness of failing to separate the policy-making functions of government from the administrative functions. Responsibility is hard to fix where authority is divided among the commissioners.

The city-manager plan is the latest experiment in the realm of municipal government. Those in favor of this plan claim several advantages for it. First, there is a unification of powers. The power of legislation and the control of administration is vested in a council of one chamber. Responsibility is centralized in a single, trained administrative head. He is responsible to the council and may be removed at will. The manager plan has been likened to the management of an up-to-date corporation. The people (stockholders) choose a council (board of directors) to determine policies and to employ a city-manager (general manager) to administer the corporation (the city).

From a survey made of 25 cities operating under the manager plan in 1940, it was revealed that the average property tax was $16.84 per thousand, as compared with over $30.00 per thousand in cities governed by politicians. These are some of the results of centralizing city purchases, of abolishing patronage, and of installing a budget and an auditing system.

In the last analysis, no form of government is a sure cure for municipal corruption. Improved machinery merely makes good government possible. Democracy will become effective in our cities only when citizens combine good forms of government with elected officials who have ability and character.

Unit Summary

Democracy begins at home. This is true not only of the family but of the home in the sense of the community. Unless the citizen takes the interest that will make his influence felt in local affairs, there is little

chance that his weight will be recognized in the larger field of national life. Every person can serve his community and make it a better place in which to live. He must know the needs of the community, express his views, and cast his vote. He should be willing to serve on projects for local improvement. Thousands are doing these things today and the success of democracy is in their hands. It stands to reason that democracy, as a rule of the people, must begin where the people are—in the towns and cities all over the country. Democracy is based on participation.

Democracy must also work toward efficiency. Better machinery of government and improved administration are in harmony with our democratic institutions. For example, the criticism that the manager plan removes executives from popular control is not well-founded if the plan produces better government and if the people elect the council. No form of government, however, can guarantee efficiency. Improved machinery merely makes better government possible. In practice, people must demand that politics be separated from administration. If democracy is to function, the people have a direct responsibility to inquire into the character of the officials they elect to office. They must determine the broad policies of government and see that they are efficiently carried out.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the idea of social living they suggest: charter, mayor, council, ordinances, home rule, commission, city-manager, appropriations, centralized purchasing, proportional representation, non-partisan ballot, public works, political machine.

INFORMATION, PLEASE!

2. a. How has the city become one of the great developments of modern civilization? **b.** What are the changes in the functions performed by our cities since colonial times? **c.** Describe the mayor-council form of municipal government, showing its merits and defects. **d.** Explain machine politics in city government. **e.** What is meant by municipal home rule, and why is it desirable? **f.** Describe the commission form of municipal government, showing its merits and defects. **g.** Describe the council-manager plan and show its merits over the other forms of government discussed. **h.** Show how the manager plan functions in Dayton and Cincinnati. **i.** Why did this plan fail in Cleveland? **j.** Explain the growth of the manager plan

in the United States, and show its contribution to American government
k. How are city-managers trained for the profession?

CAN YOU THINK?

3 a Forms of government are not as important as the kind of men selected to administer the government Explain b. The ideal city-manager to hire is an "outsider" from another city, because he has no political debts to pay Do you agree? c. The most common cause for poor city government is the indifference of its citizens Can you name other causes? d The city has been called the "nursery for training state and national leaders" Explain e Professor Merriam of the University of Chicago says that large cities should be permitted to organize as separate states of the union because the cities are distrusted by rural members of our state legislatures Discuss

WE LEARN BY DOING

4 **Committee.** Arrange for a small committee to visit a city council meeting Talk with the mayor, councilmen, and other officials How are utilities operated? What is the tax rate? How large is the city debt? Is there a civil-service commission? Is there a centralized purchasing authority? Examine the city charter to see where power rests
5 **Summary** Using the headings suggested here, summarize municipal functions and municipal problems of the modern city

MUNICIPAL FUNCTIONS	MUNICIPAL PROBLEMS

See J Garner and L Capen, *Our Government,* p 96
6 **A Special Paper** Write a brief biographical sketch of the following men who have been successful city administrators Tom L Johnson and Newton D Baker, mayors of Cleveland, Brand Whitlock, mayor of Toledo, Daniel W Hoan, mayor of Milwaukee, and Fiorello LaGuardia, mayor of New York City
7 **An Oral Report.** Give an oral report on the work of the following men as city-managers Colonel Henry M Waite, of Dayton, Colonel Clarence O Sherrill and Clarence Dykstra, of Cincinnati, Charles E Ashburner, of Stockton, California, and John N Edy, of Berkeley, California, and later Toledo, Ohio See, L D White, *The City Manager*
8 **Panel Discussion** Explore the subject, "All American cities over 10,000 population should abandon the mayor-council form of government, and adopt the manager plan, as it is more efficient and economical"

WE READ FROM OTHER BOOKS

9 **General Readings.** J Garner and L Capen, *Our Government,* chaps iv-v, N. D Houghton and C Ridley, *Realities of American Government,* chaps xxix and xxxi, J Kinneman, R Browne, and R Ellwood, *The American Citizen,* chap v, F E Lumley and B Bode, *Ourselves and the World,* chap xxii, F Magruder, *American Government* (1940 ed), chaps xxx-xxxi, T Reed, *Forms and Functions of American Government,* chaps xv-xvi, C Ridley and O Nolting, *The City Manager Profession,* E Walker, W Beach, and O Jamison, *American Democracy and Social Change,* Unit VII

10 **Forms of City Government.** W Anderson, *American City Government,* 320-87, T S Chang, *History and Analysis of the Commission and Manager Plans of Government in the United States,* R T Crane, *Loose-Leaf Digest of City-Manager Charters,* W B Munro, *The Government of American Cities* (1926), 255-342, T Reed, *Municipal Government in the United States* (1934), 155-224, L D White, *The City Manager*

11 **Invisible Government in American Cities.** N D Houghton, *Realities of American Government,* chap xxx, Anonymous, *Behind the Scenes in Politics,* F Kent, *The Great Game of Politics,* A H. Lewis, *The Boss,* J Salter, *Boss Rule Portraits in City Politics,* L Steffens, *Shame of the Cities,* M Werner, *Tammany Hall,* H L Zink, *City Bosses in the United States*

12 **Popular Readings** W Chambers *Samuel Seabury A Challenge,* D W Hoan, *City Government,* Tom L Johnson, *My Story,* W B Munro, *Personality in Politics,* Lincoln Steffens, *Autobiography of Lincoln Steffens,* W S Vare, *My Forty Years in Politics,* Brand Whitlock, *Forty Years of It*

13 **Magazines** *American City,* a monthly magazine on municipal and county problems, $2 00 per year, 443 Fourth Ave, New York City, *The National Municipal Review,* a monthly magazine on municipal problems, $5 00 per year, issued by the National Municipal League, 299 Broadway, New York City

UNIT VIII

THE WELFARE OF THE DEMOCRATIC STATE DEPENDS UPON THE EFFICIENCY OF ITS ORGANIZATION AND THE ENLIGHTENMENT OF ITS CITIZENS

****

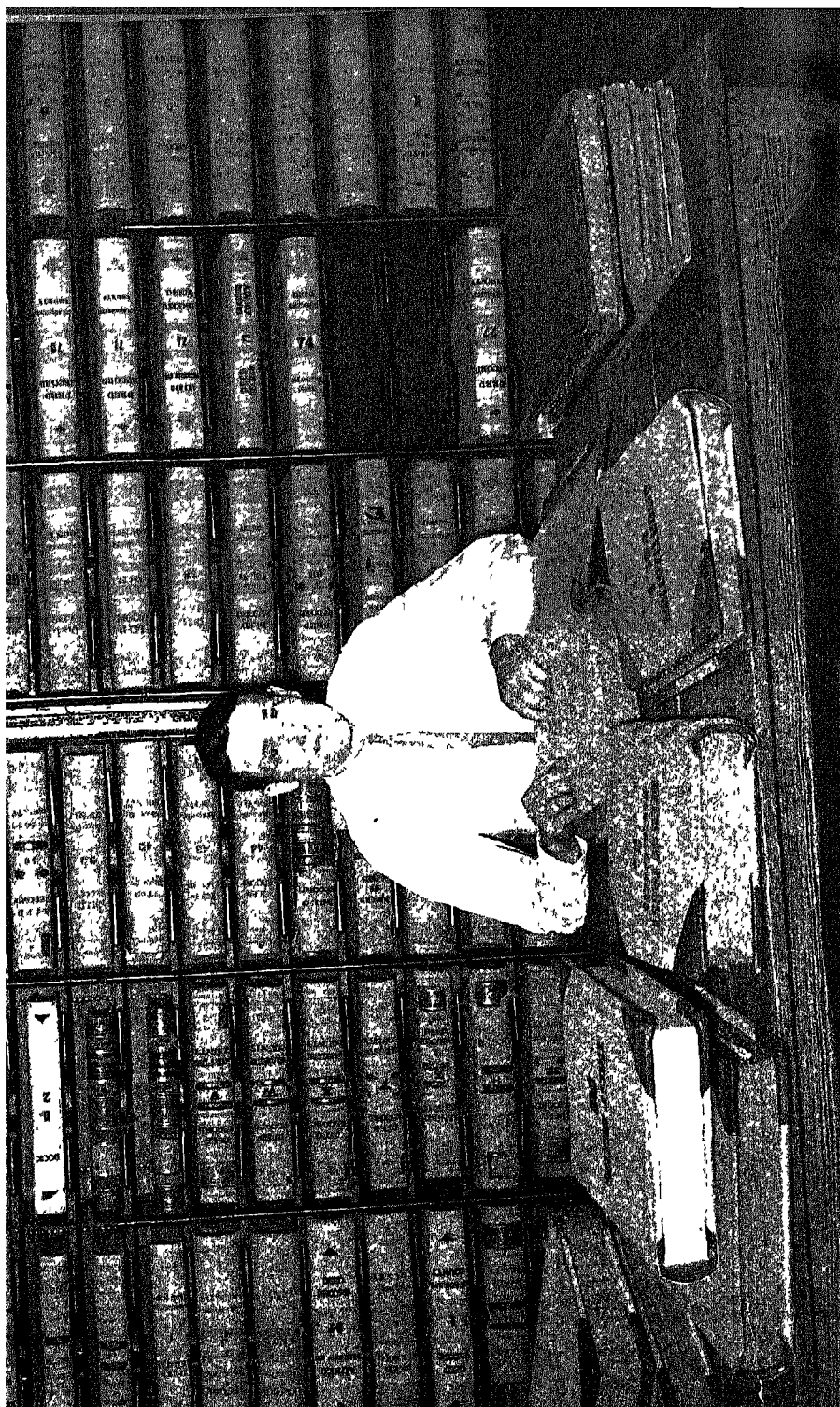
23 THE DEMOCRATIC STATE IS THE BALANCED PRODUCT OF LONG YEARS OF STRUGGLE

24. THE INCREASING COMPLEXITY OF NATIONAL AND STATE GOVERNMENT EMPHASIZES THE NEED FOR REORGANIZATION

25. EFFICIENCY IN DEMOCRATIC GOVERNMENT NEEDS A MERIT SYSTEM BASED ON APTITUDE AND FITNESS

26. PUBLIC OPINION IS THE BASIS OF AUTHORITY IN THE DEMOCRATIC STATE

27. THE PRESSURE OF PROPAGANDA CALLS FOR CLEAR THINKING ON THE PART OF THE CITIZEN

CHAPTER 23

THE DEMOCRATIC STATE IS THE BALANCED PRODUCT OF LONG YEARS OF STRUGGLE

★★★

Democracy in America is not only a theory and a form of government, but a process, a way of living, and a method of solving problems It is indebted to the thoughts and struggles of many men and many nations It is the product of countless compromises It is youthful, vigorous, dynamic.

★★★

Principles of American Government

The Nature of Democracy. Democracy means many things to many men As a word, it is a combination of two Greek words meaning people and power It is by definition a "rule of the people" As the word democracy is used in the United States today, it seems to carry three points of view

1 Democracy is a form of government The Greeks practiced pure and direct, though limited, rule by the people The process still continues in some small New England towns. Modern democracy, however, is nearly synonymous with government by representatives chosen by the people This is technically known, as in the Constitution, as a republican form of government
2 Democracy is a way of life In addition to political rights and duties, men have throughout time struggled for rights and accepted duties in the civil, social, and economic spheres of life This has meant a wider interaction of individuals and groups, such as clubs, unions, associations, and the like This interaction is certainly one of the hall-marks of democracy Observe the speed with which these groups have been outlawed where democracy has fallen
3 Democracy is a method of meeting new problems In doing so it balances reason against emotion, intelligence against propaganda, persuasion against force, and gradualism against revolution This method, and its opposite, may be observed any time and on any level from the home to the nation

The great problem of democracy is that of preserving a balance

County Clerk, St Augustine, Texas
Farm Security Administration, photo by Lee

between liberty, on one hand, and order, on the other. Our democracy has grown by a series of compromises between these forces. If we recall our history, it is evident that at times we have been conservative and, at other times, liberal. It has been said that American history has been a continuation of the struggle of Hamilton and Jefferson. Our present democracy is a balance of the basic views of these men.

Democracy and Government. Democracy is a spirit and organization of society. Society and government may not be the same, strictly speaking, but in actual practice there is little chance for democracy in society if the government is not operated by the true representatives of the people. When we speak of the democracies we mean those countries where the governments are so organized and where social and economic democracy have been extended, to some degree, through the society.

A characteristic feature of democracies is the existence and use of a constitution. Constitutions may be written as a single document or may be the collection of laws, decrees, and customs. Even the so-called written constitutions are surrounded by a mass of usage, court decisions, and applications that make them much more complicated than they first seem. In any case, it is the purpose of the constitution that is important. This purpose is to provide a framework of government and to serve as a contract between the people and the government. Constitutionalism is the belief that the game should have rules. Rules of a game may be changed and so may constitutions. But, where there are rules, governments are restrained from arbitrary or tyrannical acts. Constitutions thus provide guidance for the government and protection for all the citizens. The protections are often called guarantees but experience has taught us that there are no everlasting guarantees unless the people are vigilant. The liberal constitution of the German Republic, for example, is still in existence.

The Federal Form of Government. Since democracy depends largely on government, it is essential that the citizen understand the forces at work here. Most of the problems discussed in this book are, in part at least, problems of government. They illustrate the practical working of these institutions. In this section, you will find a discussion of some underlying principles of American government.

A federal constitution denotes the existence of two governments—central and state. Each government has powers over certain fields, each passes laws, each has a system of courts and law-enforcement agencies. The regulation of relations between the central and state

governments is often a delicate matter and is one of the most important functions of the United States Supreme Court. The individual citizen really possesses dual citizenship, in most cases, and is obligated to obey the laws of each government.

The federal idea is of the greatest importance in practical matters. Reformers, for example, very frequently drive for a nation-wide law or amendment when they feel that the progress of their reform, state by state, is too slow. As the situation now stands, the federal government cannot exercise a power unless it is granted or implied in the Constitution, while the states can exercise any power that is not specifically denied to them.

Distribution of Powers. The federal system grew out of a real situation, rather than because of any theory. The states had existed before the Constitution and were cautious about yielding power to the central government, which many regarded as an evil. Their representatives in the Constitutional Convention, therefore, were careful to list, or enumerate, the powers that the federal government should exercise. These include, in general, functions that affect the whole country. In addition to these enumerated powers, however, the Convention added the famous "elastic clause," or "necessary and proper clause," by which Congress has been able to extend its power greatly. For example, Congress is granted the power to control interstate commerce and, by using the elastic clause "to make all laws which shall be necessary and proper for carrying into execution" that power, is able to control most business in the country, since most business is interstate. Here, too, the limits are set by the Supreme Court.

Powers not delegated to the federal government are left to the states. These powers are called residual. In the past, most of the laws touching the individual have been state laws. Education, marriage and divorce laws, and motor vehicle regulations are state powers. The states with their controlled political sub-divisions of county and city are still important, but the movement toward centralization of power in Washington has continued. More and more, the problems of democracy are being considered as national, rather than state problems and the tendency today is to try to find national solutions for these problems. Relief for the unemployed, old-age insurance, divorce laws, wages and hours, and child labor are just a few of the types of measures that once were state problems but are now considered as national concerns.

In addition to delegated, implied, and residual powers, there are those known as concurrent powers. These are the powers exercised

by both the federal and state governments Taxation and control of crime are examples of concurrent powers

The Position of the States. The states are bound together in a union that since the Civil War has been regarded as unbreakable. The Constitution guarantees that no state may be deprived of its existence or its territory, that the states shall be protected from invasion or riot, and that each shall have a republican, that is, representative, form of government

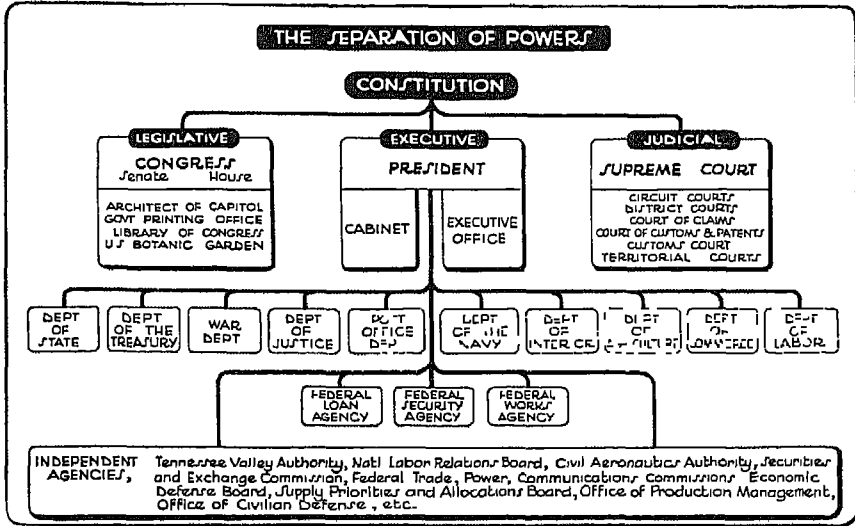
The states are independent of one another except where the Constitution ruled otherwise This it has done in three ways (1) The "full faith and credit clause" provides that a state must recognize the public acts and records of others in civil matters For instance, persons married in one state are considered legally married in others (though, curiously, this "full faith" is not true of divorce) (2) Citizenship in one state gives "privileges and immunities" in others This applies to travel, property, business, and other pursuits of an interstate nature (3) Fugitives from justice are returned to the state where the crime was committed This process, known as extradition, rests, however, on the discretion of the governor of the state in which the alleged criminal is found

This free intercourse among the states is the basis of much of our economic success Yet there have appeared within the last few years many indications of policies on the part of various states that curb commerce Tolls, taxes, inspections, and discriminating licenses have become so common as to hamper enterprise Whether or not these curbs are constitutional, the tendency seems unfortunate

Separation of Powers and Checks and Balances. Within the federal government itself, the most widely known principle is that of separation of powers Instead of consolidating the power to make laws and the power to execute them in one organ of government, our Constitution assigns the executive power to the President and his aides, the legislative power to Congress, and the judicial power to the federal courts This arrangement, which has been criticized as cumbersome, grew out of the experience of the convention members with the dictatorship of the time and out of the desire to uphold the constitutional protections against unreasonable action by a majority

Complete separation was not possible or desirable and, therefore, a system of checks and balances was devised By this system, each part of the government has some control over the other two parts Congress may override the President's veto and the Senate confirms the appointments of judges The President appoints judges and in-

fluences Congress in many ways besides by exercising the right of veto—by special sessions, messages, party influence The Supreme Court interprets legislation and may issue writs concerning the executive department.

In practice, this theory has brought about a slowing up of the work of government In degree, this has depended on the political division and the personalities involved Some Presidents—Jackson,

Theodore Roosevelt, Wilson, for instance—have been able to assert the kind of leadership characteristic of a Prime Minister in the English government Others have allowed Congress to hold the initiative in policy The theory has also tended to make the government conservative, since one of the three departments was almost sure to have that point of view The experience of the New Deal in its early years with the Supreme Court is a clear example of this influence Separation of powers does not work well in emergencies when centralized control is needed This explains the peril to democracy presented by war, a peril, however, that the English have shown can be welded into an added strength of free men freely giving their greatest effort.

The Function of the Supreme Court. The Constitution, laws, and treaties of the United States form the supreme law of the land Following, in descending order, come the state constitutions, state and common law, city charters, and city ordinances These types of law resemble a pyramid with the Constitution at the base and local ordinances at the top All federal and state judges are bound to observe

this order The laws in each case must fit on the legal structure beneath them The supremacy of the Constitution holds the whole structure in place

The Supreme Court of the United States is the only court mentioned in the Constitution It heads the federal court system that has been set up by Congress It is primarily a court of appeals, as few cases originate in it. Its rulings are final and may be overruled only by itself or an amendment Chief interest has always centered in its power of "judicial review," the power to declare laws of Congress unconstitutional This power was not specifically granted in the Constitution, but has been exercised since 1803 Critics of the court assert that the power was 'usurped" Others point out that it was an inevitable result of the clause making the Constitution the supreme law, and declare that it is the duty of the court to consider the legislation of Congress as related to the Constitution For example, the Constitution protects free speech Suppose Congress, by law, should suppress the expression of all but certain ideas What could the court do, in considering such a case, but compare the law with the Constitution? Then, if it found the two in conflict, which should be followed—the Constitution or Congress? This is the line of reasoning that was followed in establishing judicial review

Naturally, there have been heated conflicts over this power These conflicts have arisen when there were real changes in the point of view of the administration, as when Jefferson, Jackson, and F D Roosevelt became President In each case the court, whose members were appointed by other Presidents, was denounced and plans were made to take action against it Roosevelt contended that his plan was not to take away its power but to allow the appointment of more judges The bill, commonly called the "Court Packing Bill," was defeated and time has settled the controversy Still, the basic question is not settled Does the benefit of judicial review in protecting minorities out-weigh the harm of setting aside the will of the people as expressed in the laws of Congress? The power of the court to pass on the constitutionality of acts of other departments and of the states is not in question

These general principles, together with the Bill of Rights and the provisions for change, are basic to American government Forms of government in themselves do not make democracy, though they may break or prevent it Forms of government, rather, are the instruments, the tools, of democracy and if any is found to have outlived its usefulness, it should be repaired or discarded However,

there was a good point made in a recent cartoon The reporter asked Uncle Sam, "To what do you attribute the long life of your democracy?" and Uncle Sam replied, "It must be my constitution"

Constitutional Rights

Bills of Rights. It is common to hear or read that democracy means liberty But we know that we cannot do exactly as we please Perhaps this idea is a little more complicated than it seems Certainly it is true that liberty is limited in nature and that, in general, one person's liberty ends where it interferes with the liberty of another But, in particular cases, the limits of freedom are hard to define The men who ratified the Constitution probably had similar questions, but they were sure that they wanted assurances of liberty written into the document These assurances form the federal Bill of Rights, the first 10 amendments The rights mentioned were not originally listed in the Constitution but were adapted from the different state constitutions that had been in effect as long as 15 years The Virginia Bill of Rights, in particular, was, and is, an even more complete statement than the federal Indeed, if you compare the federal Bill of Rights with that in your state constitution, you will be impressed by the similarity Why have two instruments applying to the same people? The answer is that the federal Bill protects one against acts by the federal government, while the state Bill does the same for the state government

The rights listed are called constitutional rights Essentially, they are limits that the majority has placed on its own powers for the protection of the minority This is so important that, if you want to discover how democratic a country really is, the best way would be to find out how minorities are treated We sometimes call these rights guarantees, but there is nothing unchanging about them unless the majority in every generation really supports them Rights are defined and limited by the courts and the judges of courts are products of the society in which they live

Constitutional rights are divided into four classes (1) civil, or personal, liberty, (2) rights to property, (3) trial safeguards, and (4) political rights

Civil Liberty. Civil, or personal, liberty includes the non-political rights of freedom of action and choice, freedom of speech, freedom of the press, and religious freedom The last three are specified in Amendment I, the first is implied from Amendment XIV Civil liberty is the heart of democracy Every reader of this book knows

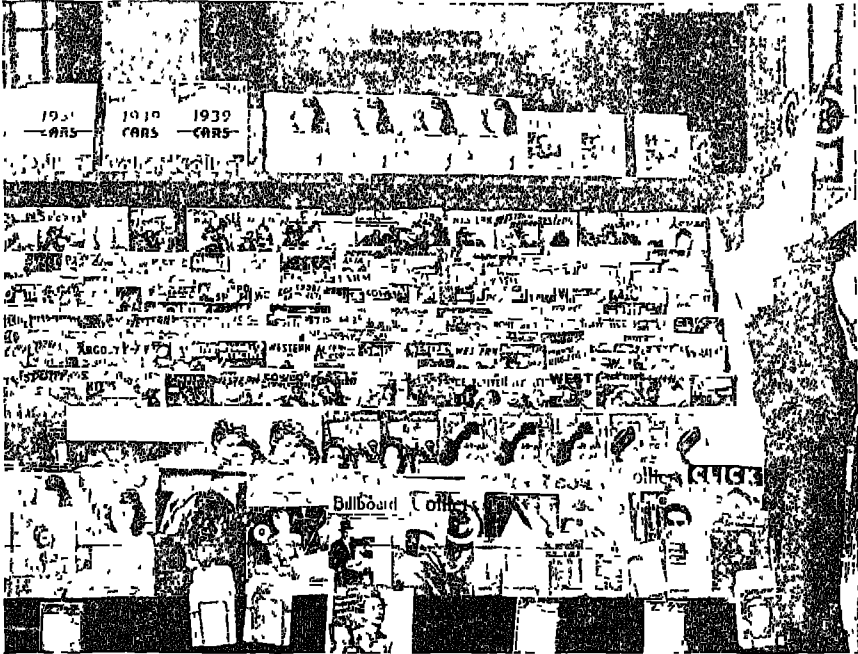
that in the dictatorships these freedoms are non-existent Democracy believes that these freedoms are essential, not only for the sake of the individual, but because the discussion of different ideas brings out the good and discredits the bad. Still, in times of crisis, this tolerance of the democracies is sometimes strained to the breaking point when used by the enemies of democracy in an attempt to destroy it

1 *Freedom of action and choice* Citizens in a democracy have wide freedom in choosing what their actions shall be They may move about freely, pursue their education, obtain what work they wish, choose their leisure-time activities, make their own friends, and, in general, lead their own lives The whole idea is so commonplace that it is difficult to explain in America But it would not be hard to explain it to one who had lived in a totalitarian country and who had been accustomed to control in every one of these activities, and many others

2 *Freedom of speech* The principle of freedom of speech is irritating even in normal times It takes a great deal of patience and tolerance to hear orators attacking what we consider our best institutions In times of peril, the maintenance of free speech may seem to many to be a real danger There are, of course, limits to what a person may say He cannot, under some conditions, use obscene language If he speaks falsely and maliciously of another, he may be sued for slander And if, by his words, he threatens a real danger to the state or community, he has passed the limits of free speech. This last principle, set down by Holmes in Schenck *vs* United States, is of obvious importance, for the danger to the state may be greater at some times than at others Thus the limit on free speech is variable In the same decision, Holmes made the point very clear by pointing out that freedom of speech would not justify a man shouting "Fire!" in a crowded theater In the vast majority of cases, however, the Court has been zealous in upholding free speech A recent case, for example, upheld Norman Thomas' right to speak in Jersey City over the ban placed on him by Mayor Hague Within the limits pointed out, the good citizen should uphold free speech, remembering that there would really be no such thing if everyone agreed with him The best cure for a bad idea is not suppression, but head-on collision with a good idea

3 *Freedom of the press* Since the Zenger trial in colonial times, freedom of the press has been an American tradition As in the case of free speech, limits are placed on this freedom Newspapers may be sued for libel They must not advocate violence, murder, im-

morality, or overthrow of the government. But newspapers must be allowed to print what they please and take the consequences of violating the freedom In other words, previous restraint (forbidding publication because of past record) is unconstitutional This freedom places a heavy responsibility on our newspapers

4 *Religious freedom* The fight for legal religious freedom was won in colonial times, though the issue of real religious toleration

Farm Security Administration, photo by Vachon

Freedom of the Press.

continues The courts have usually upheld religious differences except where they came into conflict with well-established law or moral custom For example, children in school must salute the flag, despite religious convictions Conscientious objectors must register for selective service, though they do not have to bear arms And polygamy, though part of the Mormon religion, was suppressed

Rights to Property John Locke stated that man had the right to life, liberty, and property The right to property, like the civil liberties, is both complicated and subject to limitation It is complicated because it includes the subsidiary rights of acquiring, holding, making use of, enjoying the revenues of, and disposing of. Attack on any one of these partial rights may make ownership of property useless

and still allow the state to say that it allows private ownership If, as in Germany, it is impossible to make use of property, get a revenue from it, or sell it, what is the use of having it? Nevertheless, the American attitude toward property allows much limitation as to its acquisition and use Income taxes, zoning laws, excess profits taxes, and the police power of the states which protects public safety, health, and morals all have a limiting effect on property in the interests of public welfare It should be clear by now how difficult it is to strike a proper balance between individual rights and social justice.

Property rights also include the right of a man to work and to make agreements. He may enter any occupation if properly qualified Notice the balance again Should a man who wants to be a doctor be forced to take an examination? He has the right to leave an occupation He has the right, though not absolute, to make a contract and secure enforcement of it The importance of this point is very great Contracts are the basis of our economic life They are in a real sense the "promises men live by" Contracts must not be for illegal acts nor can a state bargain away the health, safety, or welfare of the people

Trial Safeguards The number of times that trials are mentioned in the Bill of Rights shows how important this protection seemed to the colonists A fair trial is guaranteed to all accused of crime This trial must give protection to the accused on the presumption that a "man is innocent until proved guilty" Bail must not be excessive (there are exceptions) Trial must be public and speedy Trial in federal courts must be before a jury if the accused so elects and the jury of 12 must come to a unanimous decision The accused must be represented by counsel and, if he cannot afford an attorney, the court must appoint one for him He may testify, but cannot be forced to testify against himself He has the same right to force witnesses to appear in his favor that the prosecution has for opposing witnesses Most of all, he is entitled to "due process of law," the greatest protection of all This guarantee, of necessity vague, has been generally interpreted to mean (1) that the law must not be arbitrary or unreasonable and (2) that the court procedure must be fair In the civil case of Brinkerhoff Trust Co. *vs* Hill, a court ruled that the company must not appeal to the tax commission and later decided against the company because it had not appealed This was contrary to due process In the criminal case of Brown et al *vs* Mississippi, Brown was arrested for murder, beaten into a confession, tried, and sentenced in less than a week This was contrary to due process The same ruling applied to the Scottsboro case where the accused Negro boys were

assigned counsel on the morning of the trial and where, later, Negroes were systematically excluded from the jury Due process applies both to the federal government (Amendment V) and to the states (Amendment XIV)

Furthermore, according to the Fourteenth Amendment, states must not deny the equal protection of the law to all No bills of attainder, legislative acts which inflict punishment without judicial trial, may be passed Nor may any *ex post facto* law be applied to criminal cases This is the type of law that (1) would make punishable as crime something done before a law was passed making it a crime, (2) increase the penalty for crime after the criminal had once been sentenced for committing that crime, or (3) make conviction easier There must be warrants for searches and seizures

These safeguards indicate the care that our system of law takes for the protection of the innocent They express the ideal that all are equal in the eyes of the law, which is, unfortunately, not always true A problem of democracy is to continue due process but not to allow it to become a screen of protection for the guilty

Political Rights Political rights are those through which the citizen is able to make his influence felt in the government They include (1) the right to vote, (2) the right to assemble, and (3) the right of petition

Suffrage was a difficult problem for the makers of the Constitution These men were, for the most part, conservative and skeptical of the wisdom of the people Their inclination was to place real limitations on the right, but they knew that some states, which allowed manhood suffrage, would refuse to ratify the document if they did so Therefore, the plan which was worked out, and holds today, was that all who could vote for the most numerous branch of the state legislature were eligible to vote for federal officers This left it up to the states to say who should vote The states themselves were responsible for the abolition of religious and property requirements The federal government, too, has intervened in the matter by the passage of Amendments XV and XIX These forbade the states to deny the right to vote on the grounds of race, color, previous condition of servitude, or sex They do not confer the right to vote, but place limitations on the state Primary elections were formerly considered state or party matters, but recent decisions of the Supreme Court point out that in some states, especially in the South, the right to vote in the election is an empty privilege if not coupled with the right to vote in the primary

State requirements for voting vary somewhat from state to state. Qualifications, however, are almost universally based on citizenship, literacy, residence, and the possession of reasonable mental ability and moral character. The state may correctly require that all voters be able to read and write but cannot except some, as the Louisiana "grandfather clause" attempted to do. A present problem in voting control is the use of the poll tax in many southern states, which has disqualified thousands of voters, largely Negro.

The Supreme Court has vigorously upheld the right of peaceful assembly for a lawful purpose. The recent case of DeJonge *vs* Oregon decided that DeJonge, though an avowed Communist, was within his rights in organizing a peace meeting. A similar ruling on a meeting in Georgia dealing with unemployment was made. Persons also have the right to petition government for the redress of grievances. The most prominent case of controversy regarding this right centered in the "Gag Resolution" before the Civil War. Congress voted to table any petitions on slavery that were received and J. Q. Adams waged a long fight for the repeal of the resolution. It is a question, however, as to whether petitions have to be considered.

These are the main constitutional rights of American democracy. They are protections against arbitrary acts of federal or state governments. They do not apply as protection against acts of other persons. Taken as a whole, these rights are the most precious heritage of American citizens. They distinguish the free man from the slave. But, we must emphasize over and over, they are not indestructible or unchangeable. Their strength and vitality rest with the convictions of each generation.

Dynamic Democracy

The phrase "dynamic democracy" has become a slogan. Actually, it means that democracy must be active and growing and not content to look back to the Fathers of the Constitution for all solutions. It is the idea behind another slogan, "The cure for the problems of democracy is more democracy." The whole thought is reasonable. Institutions, like people, never stand still. They either get better or worse. If it is to live, democracy must, therefore, be dynamic. The important thing about this growth is the direction of it. An American Hitler would probably call his program "Democracy." The Nazis in America already use pictures of Washington, the Communists use pictures of Lincoln. None of us can tell exactly what problems will arise in the future, but we do know that there will be many

The best sort of guide that we can set up for our opinions on these problems is understanding of the basic principle of democracy. This principle is that the growth of democracy is accomplished by a reasonable compromise between individual freedom and group welfare.

The Changing Constitution. The makers of the Constitution knew that "a constitution that will not bend must break." They provided methods for change by (1) amendment. Amendment, with its requirement of a two-thirds vote by Congress and a three-fourths ratification by state constitutions or conventions, is a complicated process and less than one in a hundred proposed amendments have been accepted. More important methods are (2) custom, or usage, (3) laws of Congress, and (4) decisions of the Supreme Court. Customs have been built up since the day that Washington found that "advice" from the Senate on treaty-making was not forthcoming. Presidents since then have simply submitted treaties for ratification. Many other examples may be listed. The custom of "senatorial courtesy," whereby the Senate defers to the judgment and wishes of Senators from a state on appointments within the state, has great strength. So has the custom which has taken from the presidential electors the right of free choice. On the other hand, the custom opposing a third term for a president was broken in 1940.

The laws of Congress put into action and interpret provisions of the Constitution. When the document grants control of the currency, Congress sets the monetary standard and provides for the issuance and control of our money. When the Constitution speaks of "inferior courts," it is up to Congress to decide what courts and what jurisdiction. And when the phrase "interstate commerce" is translated into action, the initiative rests with Congress. Is a man mining coal in Pennsylvania engaged in interstate commerce, or is this so only after the coal has started to move into interstate traffic? Congress may take the lead by deciding to regulate the working hours of that miner. In many cases, this answers the question. In others, the question may be appealed to the Supreme Court, under the power of judicial review. The court's decision will be based on the opinion of the majority which, in turn, may be built upon a study of facts and legal precedents. The present court, however, has shown an unmistakable tendency to allow Congress great latitude in fixing constitutional limits.

Growth of Political Rights. The right to vote has been steadily extended, as we have seen. With the exception of the restriction on voting caused by the poll tax, Americans may express their political

views, though many fail to do so The right to run for political office has been similarly extended In the original South Carolina constitution, for instance, a man had to own 50 acres of land in order to vote, have an estate of £2,000 to be eligible for the state senate, and an estate of £10,000 to be eligible for the governorship Such qualifications have been abolished, though it is still difficult for the poor man to run for office The problem of control of the government by the people is, however, not so much a question of voting as of making the people's influence felt To do this and diminish the power of lobbies and pressure groups, such devices as the initiative, referendum, and recall have been introduced in many state and local governments

Social and Economic Democracy The idea of political democracy is better recognized than that of social and economic democracy Democracy in these latter fields is based on the aim of equal opportunity, though not equality The greatest force here has been the free public school Men vary greatly in ability and the aim of the school system has been to develop ability wherever found Education improves the social and economic status of all It aids in removing the handicaps that hold men of ability down The same idea of removing handicaps is seen in the freeing of the slaves, the granting of free land under the Homestead Acts, and encouragement of labor unions There is little doubt that the social and economic areas will be the scene of future struggles of democracy

Political freedom and economic freedom go hand in hand President Roosevelt wrote in December, 1940, "Our freedoms must include freedom from want, freedom from insecurity and freedom from fear I firmly believe that we can best secure these freedoms by government and private enterprise working together for these common objectives In this joint effort there must be provided proper reward for labor, proper incentive for enterprise and a proper return on investment"

Many have suggested that we need an economic and social bill of rights to accompany our civil and political bill If such a bill were drawn it would include (1) opportunity for improvement, education, and recreation, (2) greater equality of economic opportunity for all, (3) reasonable prices for articles of common use, (4) the right to decent housing, and (5) the right to the greater enjoyment of life

Conclusion American democracy and American government are so closely linked that to understand the one it is necessary to know the other This chapter has attempted to describe briefly the major principles of government which operate in the United States and to show how they are linked with the liberties of democracy An attempt

has also been made to analyze these liberties and to indicate why they are limited Many in our times, by thinking of democracy simply in terms of individual rights, have brought criticism on our whole philosophy This criticism is just unless we can and do stress the other side of the picture—the side that shows that, unless the citizen fulfills his duties, he will not long be able to enjoy his rights

Democracy is continually changing. In the following chapters of this Unit, it will be shown that change for the better depends on (1) the efficiency with which our government functions and (2) the degree of enlightenment possessed by our people.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use the following words in relation to the ideas of social living they suggest constitution, federal, elastic clause, concurrent, full faith and credit, checks and balances, judicial review, Bill of Rights, civil liberty, property rights, due process of law, poll tax, dynamic democracy

INFORMATION, PLEASE!

2 **a** In what three ways is democracy thought of in the United States? **b** What are the purposes of Constitutions? **c** What is a federal form of government? What are its advantages and disadvantages? **d** How are the powers of government distributed in the United States? **e** What is the relationship of the states to one another? **f** What is the theory of separation of powers? How do checks and balances relate to this theory? **g.** What is the power of judicial review? **h.** What are the classes of constitutional rights? In what sense are they guarantees? **i** Why should there be any limits placed on our liberties? **j** What responsibility does freedom of the press lay on the newspapers? **k** What trial safeguards are called for in the Bill of Rights? **l** How does the Constitution grow?

CAN YOU THINK?

3 **a.** The federal government has steadily increased its powers Is this favorable to democracy? Draw up evidence to support your position **b.** It has been repeatedly stated that war is fatal to democracy Does your study of our history justify that statement? **c** Why has the Supreme Court been criticized at particular times in our history? Could this happen to the present court? **d.** Our civil liberties are limited Can you show by using illustrations why it is very difficult to set these limits? **e** By setting up trial safeguards, have we allowed the guilty to escape? If so, should

we lessen the safeguards? f. Give a number of examples where individual freedom and the general welfare are, or have been, in conflict

WE LEARN BY DOING

4 **Survey** Report on the democratic practices that are fostered in your school Evaluate them

5 **Debate** Resolved That constitutional rights should be disregarded in war time

6 **List** Compile a list of the rights mentioned in the federal Bill of Rights and compare it with those listed in your state constitution

7 **Report** Report to the class the qualifications for voting in your state

8 **Paper** Write a paper on the topic, "Political Freedom and Economic Democracy Go Hand in Hand"

WE READ FROM OTHER BOOKS

9 **General Readings.** E Hilton, *Problems and Values Today,* I, Unit V, H Kidger, *Problems in American Democracy,* chap xxi, J Kinneman, R Browne, and R Ellwood, *The American Citizen,* chaps i-ii, H Faulkner and T Kepner, *America Its History and People,* chaps vii-viii, E S Kalp and R M Morgan, *Democracy and Its Competitors,* North Central Association Pamphlet

10 **Democracy.** W Russell and T Briggs, *The Meaning of Democracy,* K Gould, *Windows on the World,* chap xiii, M Maverick, *In Blood and Ink,* M Meiklejohn, *What America Means,* T Mann, *The Coming Victory of Democracy,* W Whitman, *Democratic Vistas,* G Hartman, *The Making of a Democracy,* L Farnsworth (ed), *Dictators and Democrats*

11 **Civil Liberties** G Seldes, *You Can't Print That,* G Seldes, *You Can't Do That,* A Griffin, *Freedom, American Style,* Z Chafee, *Freedom of Speech, Safeguarding Our Civil Liberties,* Public Affairs Pamphlet, No 43

CHAPTER 24

THE INCREASING COMPLEXITY OF NATIONAL AND STATE GOVERNMENT EMPHASIZES THE NEED FOR REORGANIZATION

★★

As the American concept of democracy has become more social-minded, it has called on the government for more services. The resulting government agencies, both federal and state, have brought about overlapping and duplication that have decreased efficiency Democracy needs efficiency, as well as good intentions One way to get it is by streamlining government

★★

Development of Government Agencies

Federal Agencies When our forefathers drafted the Constitution, a simple governmental organization with an executive, a congress, and a system of courts was considered sufficient to run the country. The first cabinet was made up of four executive assistants to the President As the need for more federal activity became apparent, Congress from time to time either (1) established new departments with secretaries as members of the President's cabinet, (2) established new bureaus within the existing departments, or (3) created new and nearly independent boards or commissions The scope and activity of the regular departments are familiar to most citizens in a general way. To understand the grouping of the bureaus within the departments is more difficult But the main confusion, both in the functioning and the understanding of the federal government, has arisen from the multitude of semi-independent agencies that have been created

In 1883 many government employees were for the first time placed in the classified service by the Civil Service Commission In 1887, Congress established the Interstate Commerce Commission to regulate the railroads The Federal Trade Commission, established in 1914, has the power to order business firms to "cease and desist" unfair methods of competition in violation of the Anti-Trust Laws The Veterans' Administration was established in 1930 to direct and manage all agencies that extend relief to veterans and their dependents During President Hoover's administration Congress created the Recon-

struction Finance Corporation with a capital of $500,000,000 and with authority to borrow millions more The Corporation was authorized to make loans to banks, railroads, insurance companies, and credit corporations that were in financial distress These few are simply used to illustrate the point, for a catalogue of all federal agencies is far beyond the scope of this book.

With the beginning of the New Deal attack on the depression in 1933, our people witnessed the expansion of many new governmental agencies Many of them were designed as reforms which the Roosevelt Administration hoped would correct undesirable conditions Listed are a few of the outstanding agencies

AAA	Agricultural Adjustment Administration	1933
FERA	Federal Emergency Relief Administration	1933
TVA	Tennessee Valley Authority	1933
USES	United States Employment Service	1933
HOLC	Home Owners' Loan Corporation	1933
FDIC	Federal Deposit Insurance Corporation	1933
PWA	Federal Emergency Administration of Public Works	1933
FCT	Federal Co-ordinator of Transportation	1933
SHD	Subsistence Homestead Division	1933
SES	Soil Erosion Service	1933
CCC	Civilian Conservation Corps	1933
CWA	Federal Civil Works Administration	1933
SEC	Securities and Exchange Commission	1934
NLRB	National Labor Relations Board	1934
FCC	Federal Communications Commission	1934
FHA	Federal Housing Administration	1934
RRB	Railroad Retirement Board	1934
NRB	National Resources Board	1934
USHA	United States Housing Authority	1937

It should be added that many of these administrative agencies were set up for the period of the emergency Our citizens will no doubt consider them carefully before all of them will be added permanently to the governmental structure

Special Administrative Agencies In addition to federal agencies, many other Districts, Commissions, and Authorities have been set up by the states individually or in combinations or by cities or groups of cities Such special governmental units are created under certain conditions (1) when there is a recognized need for a single agency to perform some special service, (2) when it is considered impossible for a city or a county to undertake extra tasks, (3) when the proper

political subdivisions have reached their constitutional limits for raising more taxes

There are many examples of these new government units which operate throughout the United States The Indianapolis Sanitary District, for instance, has charge of the collection of garbage and the disposal of sewage in that area The Chicago Sanitary District was established in 1889 to care for drainage projects and the disposal of sewage In one case the Supreme Court of the United States restrained the city of Chicago from draining water from Lake Michigan to flush its sewage down the Des Plaines and Illinois Rivers This decision makes it mandatory for the Chicago Sanitary District to construct facilities for sewage disposal

The Port of New York Authority. The Port of New York Authority was established because of disagreement between the authorities of New York and New Jersey over the use of harbor and port facilities The Interstate Commerce Commission, before whom the famous New York Harbor Case was tried, held that the port is an essential economic unit It recommended the establishment of an independent corporate body The legislatures of the two states passed enabling acts in 1921 and the compact was signed by both Congress also passed a joint resolution approving the compact, which was duly signed by the President

The Port Authority now consists of 12 commissioners, 6 appointed by the governor of each state It prepares plans for port development and submits them to the legislatures of both states for approval Any action of the Commission is subject to veto by the governors of the respective states

This Authority is a public corporation It exercises certain powers within the Port District, which roughly embraces the area within a radius of 20 miles of the Statue of Liberty, and it directly affects about 10 million people It is denied the right to levy taxes, but has established its own credit by issuing bonds with which to finance self-liquidating improvements [1] The Authority owns and operates the Holland Tunnel, the Lincoln Tunnel, the George Washington Bridge, and the three bridges between Staten Island and New Jersey These facilities of transportation enable more direct communication between New York and the interior The following figures indicate some of the Authority's undertakings

[1] The Authority also has the right to initiate proceedings before the Interstate Commerce Commission in matters which affect the port

INVESTMENT IN PHYSICAL PROPERTY TO DECEMBER 31, 1935

Projects	*Total*
George Washington Bridge	$57,000,000
Bayonne Bridge	13,000,000
Arthur Kill Bridges	17,000,000
Inland Terminal No 1	16,000,000
Lincoln Tunnel	20,000,000
Holland Tunnel	51,000,000

In 1938 a million and a half vehicles passed through the Holland Tunnel and paid tolls amounting to $810,000 These projects are based upon the pay-as-you-go plan through the levying of tolls Without the establishment of the Authority many of these projects would probably never have been built, as the cost through tax assessments would have been prohibitive Public ownership and government control have so far been applied only to fixed interstate vehicular crossings and port facilities adapted to interstate commerce

Soil Conservation Districts. The Soil Conservation District is a new governmental unit whose purpose is to help the farmer develop land-use programs The Department of Agriculture is the sponsor of this new governing unit Under the provisions of the Soil Conservation Act of 1935, the Department drafted a standard state soil conservation district law By June, 1940 more than 250 soil-conservation districts were organized under state laws in 37 states Within these districts, which are operated by farmers, there are more than 120 million acres and more than a million farmers The farmers of these states are enabled to form conservation districts with legal powers

The Soil Conservation District is an additional unit of government, just as the city or county is a unit of government It functions through democratic processes, requiring the support of a majority of land-occupiers or land owners of the district depending on the state enabling acts Tenants have equal voting rights with land owners[1] Minorities may appeal to boards of adjustment or the state courts for protection of their interests Finally a majority of farmers may dissolve the district if it fails to work satisfactorily

FEDERAL REORGANIZATION

The Need for Reorganization of National Governmental Departments. It has long been recognized that the administrative machinery of our national government has grown cumbersome and inefficient

[1] Ayers Brinser, *Our Use of the Land*, New York Harper & Brothers, 1939, p 80

There are over 130 separate departments, agencies, boards, commissions, corporations, authorities, and activities through which the work of the government is carried on.

Among these agencies there are 50 federal legal divisions, there are at least 24 agencies which handle government funds, 3 agencies insure deposits and loans, 34 agencies deal with the acquisition of land, 16 are concerned with the preservation of wildlife, 10 supervise government construction, and 9 control credit and finance.

Offices of these agencies spread from Alexandria, Virginia, to Baltimore, Maryland. The Resettlement Administration has 13 separate addresses in Washington. There are over 100 information and publication offices, 126 federal agency libraries are listed in the District of Columbia, the government has over 45 personnel officers and 51 traffic managers. The duplication of so many functions causes waste, confusion, and bad management.

How Other Presidents Tried to Make Our Government More Efficient. President Theodore Roosevelt sponsored a small commission which recommended reforms that could be carried out by executive order. Some reforms were accomplished by the President, but those recommended to Congress were ignored.

President Taft, who was likewise interested in efficient government, appointed a commission in Economy and Efficiency. This commission was given $130,000 as a congressional appropriation for its work. It also made numerous recommendations to Congress for reorganizing government fiscal and personnel agencies but the recommendations were never passed upon.

Woodrow Wilson was given power under the Overman Act to coordinate and to consolidate executive bureaus and agencies for war purposes. Most changes made by him dealt with the military establishment and were terminated six months after the end of the war.

The Bureau of the Budget and the office of Comptroller-General were set up under President Harding. Recommendations were made by a committee to consolidate the Army and Navy and to create a department of Education and Welfare. These were never carried out.

President Hoover was successful in consolidating the Pension Bureau, the Veterans' Bureau, and the National Soldiers' Home under the Veterans' Administration. The Prohibition Enforcement unit was transferred from the Treasury to the Department of Justice. Hoover, furthermore, submitted to Congress a series of Executive Orders which would group 58 agencies in an orderly relation to each other. A Democratic Congress failed to carry out his wishes.

Reorganization Plans Under the New Deal Franklin D Roosevelt appointed a Committee on Administrative Management to study our present set-up and to make recommendations for changes The findings of this committee formed the basis for the Reorganization Bill which was advocated by the President It was made up of a five-point program, with the following purposes (1) to allow the President to appoint six administrative assistants, (2) to establish two new departments, (3) to replace the Comptroller-General with an Auditor-General responsible to the President, instead of to Congress, (4) to substitute for the Civil Service Commission a single administrator, and (5) to authorize the President to reorganize, transfer, or abolish certain agencies

The Reorganization Bill was vigorously debated in Congress It aroused a storm of protest from the press and the country at large Some objected to abolishing the Comptroller-Generalship or "muzzling the watchdog of the treasury" Some contended that the Congress was surrendering too much of its power to the President. Others feared a centralization of power if independent agencies were merged within the departments Entrenched government job holders, fearful of losing their plums," brought pressure to bear on Congressmen to defeat the bill The politicians were also opposed to change, as a reorganization of departments and a strengthening of the civil service would dispense with their political patronage Finally, people suspected the President was attempting to increase his control of the government The bill was defeated

Federal Streamlining After the clamor against the original Reorganization Bill died down, Congress passed a law not mentioning the new departments, the Auditor-General, and the Administrator for the Civil Service, but allowed much reorganization The President combined 21 units into three new agencies

1 *Federal Security Agency* This new department consolidates six new agencies The Social Security Board supervises old-age and unemployment insurance It also handles federal contributions to those states which grant pensions to the aged, the blind, and dependent children The United States Employment Service tries to find work for jobless people The Public Health Service tries to raise the standard of health throughout the nation The Office of Education, which was formerly in the Department of Interior, gathers important statistical data about the nation's schools Two youth organizations, the Civilian Conservation Corps and the National Youth Administration, have been transferred from the WPA to this agency

2. *Federal Works Agency.* This new department is primarily concerned with those agencies engaged in public works programs. It includes the Public Works Administration and the Works Progress Administration. The United States Housing Authority, which is engaged in slum-clearance and low-cost housing projects, is now also included in this new department, as is the Bureau of Public Roads which was formerly in the Department of Agriculture.

3. *The Federal Loan Agency.* Within this department are now consolidated a number of agencies which have been lending money for recovery from the depression. The Home Owners' Loan Corporation has lent nearly three billion dollars to distressed home owners. The Federal Housing Administration guarantees loans on new homes. The Reconstruction Finance Corporation has advanced billions of dollars to business enterprises, such as railroads and banks. Several other lending bodies such as the Electric Home and Farm Authority, the Disaster Loan Corporation, the Export-Import Bank, and the Federal Savings and Loan Corporation are also included in this new agency.

By grouping all activities of a similar nature into one agency, it is claimed the country gains much more efficient service. It also enables the President to concentrate responsibility in a single, administrative agency head. It is estimated that about 30 million dollars can be saved annually in services, supplies, and salaries by reorganization.

Under the law, the President may make other effective changes to increase efficiency in the administrative branch of the government.[1] Congress may at any time within 60 days overrule any specific changes the President makes. This requires a two-thirds vote of the Senate and the House of Representatives. The law also protects the permanency of such independent agencies as the Civil Service Commission, the Interstate Commerce Commission, and others.

Bureaus in the Regular Departments. A number of bureaus have also been created within the regular cabinet departments to aid them in performing their many duties and functions. Each of these is headed by a director or a commissioner, who is responsible to the secretary of the department. These bureaus perform many important administrative functions. The Bureau of Internal Revenue supervises the assessment and collection of all internal revenues. The Bureau of the Mint directs the coining of money and supervises the storing and safeguarding of the nation's gold and silver stocks. The Patent Office

[1] On May 22, 1940, the President asked Congress to transfer the Bureau of Immigration and Naturalization from the Labor Department to the Department of Justice to permit a closer check on Fifth Columnists.

grants letters of patent for inventions, and registers trade-marks and labels Important functions are carried on by other agencies, such as the Bureau of Investigation, the Bureau of the Budget, Bureau of the Census, and the Bureau of Engraving and Printing These, and many other bureaus, are grouped in the 10 great departments of the federal government

You can get a good idea how a bureau is managed by studying the Bureau of Labor Statistics Unlike most bureaus, this is purely a fact-finding agency. It administers no laws, carries on no promotional work, but is entirely devoted to a study of wages, employment, and the cost of living

For more than 50 years this bureau has "collected information on the subject of labor, its relation to capital, the hours of labor and the earnings of laboring men and women and the means of promoting the material, social, intellectual and moral prosperity of the workers "

It issues monthly data on employment and payrolls, gathered from the reports of nearly 135,000 industrial establishments, employing about 9,000,000 persons This bureau also collects and publishes information on labor organizations, social insurance, industrial health and hygiene, workmen's compensation for industrial accidents, court decisions affecting labor, housing conditions, the co-operative movement, and employment conditions It also publishes retail prices on food items, coal, gas, electricity It computes index figures on items which make up the family budget—rent, clothing, furniture, and housefurnishings, and medical care—showing changes in the cost of living

Information for these studies is obtained through the voluntary co-operation of employers, state and local authorities, labor and other organizations, and individuals The results of investigations are published in the *Monthly Labor Review* (now in its twenty-second year) and the *Labor Information Service* (begun in 1934)

State and County Reorganization

How New York State Reorganized Her Administrative Machinery. Charles Evans Hughes was made chairman of an unofficial commission of 60 leading citizens to study the state government of New York The commission made its final report to the legislature in 1926, in which it recommended state reorganization

A Democratic Governor, Alfred E Smith, together with a Republican legislature, finally worked out a satisfactory system One hundred and eighty administrative agencies were consolidated The offices of

Secretary of State, State Treasurer, and State Engineer were abolished The only elective offices which remained were the Governor, Lieutenant-Governor, Comptroller, and Attorney-General

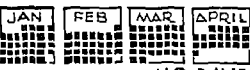
Eighteen separate departments were established, the Governor appointing the directors of 15 of them They are

- Department of State
- Department of Correction
- Department of Health
- Department of Social Welfare
- Department of Insurance
- Department of Labor
- Department of Banking
- Department of Civil Service
- Department of Public Service
- Department of Public Works
- Executive Department
- Department of Conservation
- Department of Agriculture and Markets
- Department of Mental Hygiene
- Department of Taxation and Finance

The Department of Law is headed by the Attorney-General, and the Department of Audit and Control is headed by the Comptroller The Department of Education is headed by a board of regents, consisting of 12 unpaid members who serve 12 years with overlapping terms This board chooses the Commissioner of Education, who is the administrative head of the Department The Governor is the head of the Executive Department, which has seven divisions—budget, military and naval affairs, standards and purchase, state police, parole, alcoholic beverages, and state planning

Governor Smith formed a cabinet of most of the department heads, together with the executive secretary and the budget director

Results of State Reorganization In Virginia it was estimated that reorganization saved the state about $450,000 the first year Under the leadership of Governor Frank O Lowden, the state of Illinois consolidated more than 100 statutory offices, departments, boards, and agencies into 10 departments

Reorganization can provide better service and better management in budgetary accounting, centralized purchasing, and personnel supervision The cabinet system as worked out in Illinois, New York, and Virginia has proved to be successful, and is probably here to stay

The Unicameral Legislature of Nebraska. Under the leadership of Senator George W Norris, the people of Nebraska adopted a unicameral legislature This system went into effect in 1934 Forty-three legislators were chosen on a non-partisan ballot for a two-year term

This single house chooses its own officers, including a speaker, who serves only in the absence of the Lieutenant-Governor, the regular presiding officer There are only 15 standing committees, whereas the

old legislature had 68 A legislative council of 10 members has been set up to prepare a legislative program Experts have been employed to assist it in drafting bills A special session may be called upon the request of 29 legislators, with or without the consent of the Governor

The only elected state officials are the Governor, Lieutenant-Governor, State Auditor, and Superintendent of Public Instruction These officers are elected for a four-year term The Secretary of State, the Treasurer and the Attorney-General are chosen by the legislators

It is interesting to compare the records of two legislative sessions, one under the old plan and the other under the new [1]

BICAMERAL AND UNICAMERAL SYSTEMS

	BICAMERAL LEGISLATURE 1935	UNICAMERAL LEGISLATURE 1937
COST OF SESSION	$$$$$$$$ $202,500	$$$$$$ $150,000
BILLS INTRODUCED	1056	581
BILLS PASSED	192	210
BILLS VETOED	6	18
LENGTH OF SESSION	JAN FEB MAR APRIL 110 DAYS	JAN FEB MAR APRIL 98 DAYS

This record of decreased expenses can be compared with the growing costs of bicameral legislative bodies In 1929, for example, the Ohio legislature cost the state over $625,000, in 1935 it cost approximately $1,250,000 This last session cost the taxpayers of Ohio over $12,000 a day Four weeks were spent in getting organized On the last day of the session the clock was stopped and action was taken hurriedly on over 150 bills At a time when a strong legislature was needed, it accomplished less and wrangled more often than any other legislature in the history of the state This illustrates how strong is the need to simplify the work of our state legislatures.

[1] By Kenneth R Keller, Lincoln, Nebraska, newspaper man who covered the various sessions of the unicameral legislature for the Lincoln *Star* Quoted from *State Government*, 10 133 f, July 1937

The Size of Counties in Area and Population According to the Census Bureau, there are 3,062 counties in the United States[1] Texas has 254 counties, while Delaware has only three The largest county in the United States is San Bernardino, in California, with an area of 20,175 square miles. It is larger than New Jersey, Delaware, and

Farm Security Administration, photo by Lee

This is a meeting of county commissioners to devise means of raising funds to build county roads County government in the U S is usually in the hands of commissions like this

Maryland combined The smallest county is Arlington, Virginia, with an area of 25 square miles The average county in the United States has an area of about 1,000 square miles

In 1940, Cook County, Illinois, had a population of nearly four million inhabitants, while Loving County, Texas, had only 205 Los Angeles County, in California, had over 2,800,000 inhabitants, while the average county population for the nation is about 40,000 people Within the counties of the United States there are also over 16,000 incorporated cities, villages, towns, and boroughs, nearly 20,000 townships, and over 125,000 school districts Because of this variation, it is

[1] Each of our 48 states is divided into counties except Louisiana, where similar political subdivisions are called parishes

practically impossible to govern all counties with the same type of governing body

The County at Work. Most counties are governed by a board of county commissioners, or a county board of supervisors This board is chosen by the electors of the county The duties of this body are prescribed by statute and show a great variety of functions Among them are the supervising of elections, supervising county institutions, administering the tax machinery, controlling county buildings, bridges, and roads They also appoint minor officials There are, however, a great many functions that are performed by independently elected officers Some of these are

County Judges	Administer justice, including probate work such as registering deeds, probating wills, disposing of the insane, etc
Treasurer	Collects taxes in the county
Prosecuting Attorney	Prosecutes violations of the law
Recorder	Records land titles
Coroner	Investigates all unnatural deaths
Auditor or Assessor	Lists and assesses the value of property
Surveyor	Measures lands within the county
Clerk of Courts	Keeps records of the courts
Superintendent of Schools	Supervises schools and teachers
Health Officer	Protects public health, looks after sanitation and quarantines
Board of Elections	Administers the machinery of elections

Each of these officials goes his own way, he is unsupervised and responsible only to the electorate Although he may be untrained or inefficient, he remains in office for the length of his elected term Thus the authority for carrying on the administrative work of the county rests with many individuals, not accountable to the county board Since there is no responsible head, no one has the authority to unify county functions

Weaknesses of the County System County government is still regarded as one of the most backward administrative units in the field of American government It is ineffective, expensive, unusually complex, and inefficient In spite of the growing proportions and importance of county business, we still try to operate this unit of government with the same machinery that was used over a century ago

The county has two important functions to perform It helps to administer state laws and it manages most local administration In spite of these simple tasks county government almost everywhere remains

extravagant and wasteful People are harassed by increased taxes and county indebtedness. Most counties are also notorious for their inefficiency in collecting taxes Many lack scientific budget procedures and centralized purchasing departments.

As an example of a cumbersome system, some county officials still receive their salaries from the fee system The sheriff, under this plan, is paid a fee for each warrant served, or each arrest made In 1932, it was revealed by the Seabury investigation in New York that Sheriff Thomas Farley within a period of seven years had deposited about $360,000 to his personal account His salary during that time amounted to less than $90,000 [1]

The Missouri Crime Survey revealed that many county coroners were undertakers, farmers, or barbers In some cities the coroner is often a politician who awards the county undertaking business to political favorites Massachusetts has abolished the elective office of coroner His work is now performed by an appointed, competent medical authority This official should be a trained pathologist equipped with the techniques necessary to perform the duties of his office

The Confusion of County Functions in Metropolitan Areas. According to the census reports, there are 96 metropolitan districts of 100,000 population or more in the United States As an illustration of a metropolitan community, which needs to unify essential governmental functions, such as providing water supplies, sewage disposal, and police protection, let us consider Cuyahoga County in Ohio It has an area of about 450 square miles and a total population of 1,250,000 people Its largest city, Cleveland, has over 900,000 people There are over 100 separate political subdivisions in this county They are as follows

- 1 county
- 1 county health district
- 6 townships
- 12 cities
- 42 villages
- 34 school districts
- 7 library districts

Out of this total, there are over 100 taxing units, nearly 60 mayors and financial officers Enforcement of the law is delegated to a sheriff and numerous police chiefs, village marshals, and township constables There are over 100 legislative bodies or boards who determine policies, enact laws, or both

In this congested district there is no unified control of the functions which are common to most of these political subdivisions Besides the duplication of functions and the apparent extravagance of paying

[1] Peter Odegard, *American Politics*, New York Harper & Brothers, 1938, p. 464

many useless officials, the cost of county government has also increased from 3 million dollars in 1914 to over 11 million dollars annually in 1935.

Similar multiplicity may be found in other metropolitan areas. In 1930 there were 135 political subdivisions in the Pittsburgh district, 115 in the Chicago area, 92 in the Philadelphia district, and 56 in the Los Angeles district. This results in confusion and duplication in essential public services. The city of Denver has solved this problem by combining the city and county into one municipal corporation.

The County-Manager Plan. Under the provision of county home rule, several states permit their counties to adopt a county-manager. In Ohio, California, and Maryland the people may elect a special charter commission to frame a new county charter. This charter must be approved by popular vote within the county before becoming effective. The New York legislature has set up four plans from which counties may choose, while Virginia offers a choice between a county-executive plan, or a county-manager plan.

Under the county-manager plan, power and authority is vested in a small county board, elected by popular vote. In several cases the sheriff, prosecuting attorney, auditor, and superintendent of schools are elected independently. The county board appoints a county manager for an indefinite term, who in turn appoints important administrative officials. The county-manager is responsible to the county board for the effective supervision of departments under their jurisdiction. This centralized plan eliminates confusion, especially in our large metropolitan areas.

Existing county officials and aspirants to county office generally put up vigorous opposition to new reform movements. Their hue and cry is that the plan is "un-democratic." They say it removes elected officials from the popular mandate, and that it constitutes a dangerous concentration of power in the hands of a few bureaucratic officials. It is an established fact, moreover, that it is easier for the individual to make adjustments and affect local rules when he deals with people near at hand rather than with distant officials.

Those who suggest county unification argue this way. The nature of county government is that of a single administrative task. Very little of it is of a political nature. The duties performed by county officials, in most cases, require a special skill, which is not often found in elected officials. These functions should be co-ordinated by a single responsible official who can appoint trained men to perform these special duties. The key to success in county government is reorganization constructed

along the sound principles of business organization. The increased efficiency of cities organized in this way is one proof of this fact.

Conclusion. The President and Congress are the policy-makers of the national government. They delegate authority to hundreds of administrative agencies. In the interest of economy, there are several things that society has a right to demand: (1) that these agencies perform some useful service, (2) that there be no overlapping of functions.

Better management at less expense has resulted from reorganizing the state governments in New York and Illinois. Efficiency is obtained by budgetary accounting and centralized purchasing. Patronage has been replaced by personnel supervision. In Nebraska's unicameral legislature, authority is centralized and responsibility fixed in a single chamber.

County government has long ben recognized as inefficient and wasteful, especially for administering large metropolitan areas. Some advances have been made by consolidating functions and by employing trained administrative executives as county managers.

As citizens, it is our duty to see that the agencies of government remain under democratic control and that they perform their functions efficiently. It is up to us to work out and put into effect the best government possible.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest: Comptroller-General, Veterans' Administration, Reorganization Bill, Federal Security Agency, Federal Works Agency, Federal Loan Agency, state reorganization, County Commissioners, Interstate Commerce Commission, Federal Trade Commission, Reconstruction Finance Corporation, Port of New York Authority, Soil Conservation Service.

INFORMATION, PLEASE!

2. **a.** Show the need for reorganizing some of the departments of the federal government, and point out what attempts to increase government efficiency have been tried by various Presidents. **b.** Describe the reorganization plans first proposed under the "New Deal," and show how reorganization was finally effected. **c.** Explain the importance and functions of government bureaus. **d.** Show how some of our states have reorganized their administrative machinery. **e.** Explain how the unicameral legislature of Nebraska functions. **f.** Point out some of the weaknesses of our present

county system and show how their defects may be remedied by the county-manager plan **g** Explain the confusion of too many governmental units in metropolitan areas **h.** Describe the alphabet agencies which control new governmental areas **i.** Show why new administrative agencies, such as Districts, Commissions, and Authorities, are necessary to control special governmental units **j.** Explain the function of the Port of New York Authority **k.** What is the function of the Soil Conservation District?

CAN YOU THINK?

3 **a** Our government does not become less democratic because some of its agencies are co-ordinated to secure greater efficiency Explain **b.** Could the people of the United States change the legislative department of the government from the Senate and the House of Representatives into a unicameral Congress without violating the constitution? If so, how? **c** The Reorganization Bill first proposed by President Roosevelt was opposed by professional politicians and government employees in the civil service Why? **d** What functions could be performed by a centralized metropolitan authority which would save money for the taxpayers by abolishing needless public officials? **e** County government has been called "the dark continent" of American politics Explain

WE LEARN BY DOING

4 **Chart.** Draw a chart showing the organization of your county government as it now exists Now draw another chart showing how it would look if reorganized under the county-manager plan

5 **An Investigation** Make a list of the numerous departments in the President's cabinet How many do you think could be consolidated with other agencies or abolished? See *United States Government Manual,* Superintendent of Documents, Washington, D C

6 **Map** Make a map of the United States and put small colored dots in the various states to represent the number of counties in each which have a population of less than 2,000 people Do you think these units can afford the expense of county government? What solutions can you suggest? See *World Almanac* (1941), 496-507

7 **An Oral Report** Give an oral report on the Holland Vehicular Tunnel See *Encyclopædia Britannica*

8 **Debate.** Resolved That our government should create a federal authority to construct on a self-liquidating basis high-speed freeways throughout the nation

WE READ FROM OTHER BOOKS

9 **Reorganization of the National Government.** Consult F Magruder, *American Government* (1941 ed), chaps xviii-xix, *U S Government Manual*, Superintendent of Documents, Washington, D C

10 **Reorganization of State Governments** Consult A E Buck, *The Reorganization of State Governments in the United States*, 151-156, 169-184, W B Graves, *American State Government*, chap xi

11 **Government Bureaus, Boards, and Commissions** Consult F J Haskins, *American Government Today*, chaps iv, xvi, xix, xxii, xxix, xxxi, xxxiii, xliv, xlv, F Magruder, *American Government* (1941 ed), chaps xiii-xvii

12. **Unicameral Legislatures** Consult A W Johnson, *The Unicameral Legislature*, chaps v-vii, H B Summers, *Unicameralism in Practice* (Debater's Handbook)

CHAPTER 25

EFFICIENCY IN DEMOCRATIC GOVERNMENT NEEDS A MERIT SYSTEM BASED ON APTITUDE AND FITNESS

★★

In addition to sound organization, democratic government needs capable, efficient administrators. The merit system of appointments insures such competent government workers. It is the essence of democracy, since preferment is based on ability instead of favoritism.

★★

How the Civil Service System Developed

"To the Victors Belong the Spoils." One of the evils of democratic government is patronage or the spoils system. This is how the system works. Political parties have to be organized, financed, and supported by party workers. Successful candidates of these parties frequently reward political supporters with public jobs. Party workers believe they are entitled to jobs because they have secured votes and contributed to campaign funds. They have worked for the success of the party. All this may be true, but if these workers are appointed to government positions it is because of friendship and loyalty and not because they have those qualifications necessary to perform their duties efficiently. The spoils system helps to cement the party into a single unit, but it frequently produces a low tone of public morality.

Andrew Jackson is generally blamed for introducing the spoils system into the federal government. As the leader of a powerful political movement he vigorously replaced opposition office holders with members of his own party.[1] The duties of government employees, to Jackson, were "so plain and simple that men of intelligence can readily qualify themselves for their performance." The spoils system, however, was not original with Jackson. It had flourished in Colonial America. Royal governors were appointed by the Crown as the repayment of political debts.

The Four Year Tenure of Office Act was passed in 1820. This law still produces a large turn-over of positions every four years. Years later President Grant requested Congress to appropriate $25,000 to

[1] Senator Marcy of New York State justified Jackson's job grabbing with the blunt statement "To the Victors Belong the Spoils."

improve the civil service. A commission was appointed, with George William Curtis, editor of *Harper's Weekly*, and the President of the National Civil Service Reform League, at its head. The politicians, however, were suspicious and the movement died for lack of sufficient appropriations. President Hayes proved to be an ardent supporter of the civil service movement. Friends of civil service took heart when he appointed Carl Schurz, another reformer, to his cabinet as Secretary of the Interior. Dormer B. Eaton was sent to England to investigate the British Civil Service. Hayes even went so far as to dismiss Chester A. Arthur, a spoilsman, as collector of Internal Revenue of the New York Customs House. Arthur was a member of the New York State Republican machine controlled by Senator Conkling. The country at large, however, was not ready for civil service. The followers of the movement were ridiculed as "dilettantes" and "goody-goodies." Their reform was labeled the "snivel service."

This greatly needed reform became a sudden reality—only after the public had been aroused by the shocking news that the President of the United States had been assassinated by a disappointed office seeker. Charles Guiteau, whose petition for a government position had been rejected, shot President James A. Garfield in a railroad station in Washington, D. C.

The people began to take an immediate interest in civil service. But the men who had fought for its principles were discouraged, for Chester A. Arthur, the spoilsman dismissed by Hayes from the New York Customs office, was now President of the United States. Arthur, however, rose to the dignity of his office. He heeded public opinion and in his first annual message to Congress recommended and expressed his willingness to support civil service reforms. He soon signed the first important piece of civil service legislation enacted in the United States.

The Pendleton Act. After much discussion and opposition, the Pendleton Act, which provided for a real civil service, was signed in January, 1883. The law made these provisions: (1) the President was given the power to appoint a bi-partisan commission of three members, to supervise the civil service, (2) this commission was given power to draw up rules acceptable to the President to be applied to the "classified list,"[1] (appointees to government jobs on the classified list must take an examination before they are certified as eligible), (3) appoint-

[1] The President is authorized by law to place government positions on the classified list by executive order. President Cleveland added 56,936 government positions to the classified lists, Harrison added 10,535, McKinley, 19,161, Theodore Roosevelt, 128,753, Taft, 17,657, Wilson, 165,515, Harding, 1500, Coolidge, 20,365 and Hoover 35,398.

ments were to be made according to the "highest grade" received in open competitive examinations, (4) the President had the power to designate certain federal offices which shall come under the civil service, (5) a probationary period was established before permanent appointment, (6) it was considered illegal to assess civil service employees a portion of their salaries for political purposes, (7) there could be no removals for political reasons, (8) war veterans were to be given preference in positions, (9) the term of office for appointees was to last during the period of their good behavior, (10) civil service positions in the District of Columbia were to be apportioned to citizens of the various states according to their populations.

President Arthur set aside 16,000 positions for the civil service. However, there remained over 100,000 positions open to the spoilsmen. Nevertheless, the Pendleton Act became the keystone of civil service reform. It has grown and its principle has been extended to both states and cities.

Civil Service and the Merit System

What Is the Civil Service? The civil service includes all non-military officials employed by the executive and administrative branches of the government except elected officials and those responsible for the formation of policy. The President and Vice President, for example, are elected officials. They try to carry out those policies recommended by their parties. Other high officials who are appointed, such as the members of the President's cabinet, and members of boards and commissions aid them in this task. All employees who work under them are appointed and belong to the civil service.[1] The civil service includes all employees of the federal, state, county, and city governments. It includes those chosen on a patronage basis or those who have proven their ability by taking examinations. The latter are properly referred to as appointees under the merit system.

The Government as Employer. In 1935, 1 out of every 10 persons gainfully employed held a position with some unit of government. There were nearly 3,300,000 employees working in 175,416 political subdivisions in the United States. This number includes all employees of the federal government, the states, counties, cities, townships, and the public school systems. Their total salaries amounted to four and one half billion dollars.

[1] Exceptions are made of the employees of the Legislative and Judicial branches of the United States government, the military and naval forces of the United States, and employees of the District of Columbia.

CIVIL SERVICE REFORM

FEDERAL

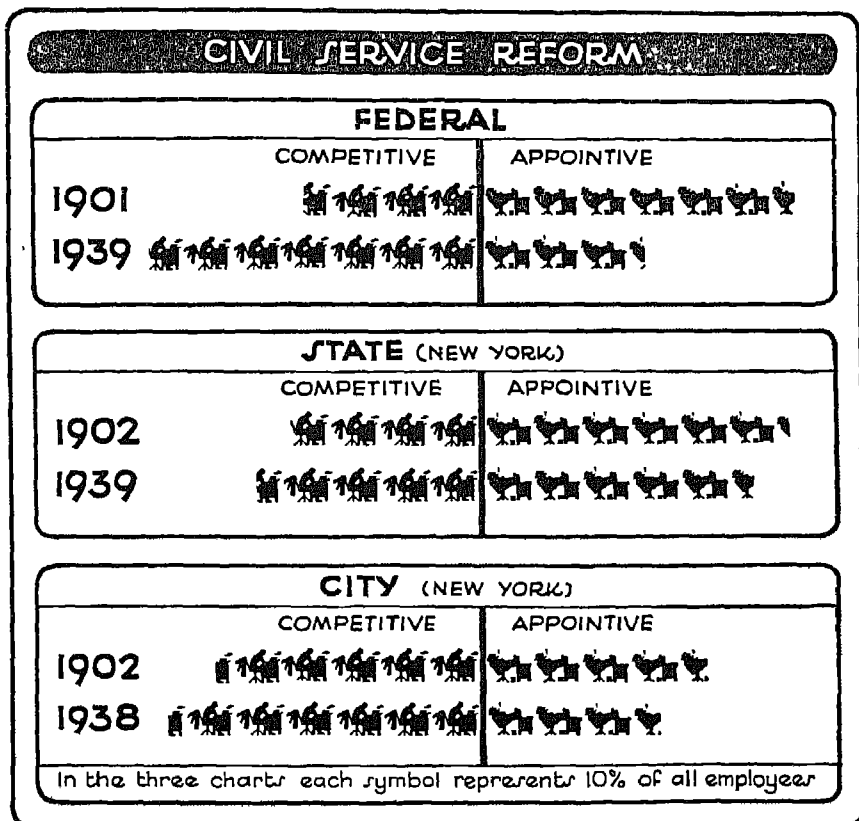
	COMPETITIVE	APPOINTIVE
1901		
1939		

STATE (NEW YORK)

	COMPETITIVE	APPOINTIVE
1902		
1939		

CITY (NEW YORK)

	COMPETITIVE	APPOINTIVE
1902		
1938		

In the three charts each symbol represents 10% of all employees

The federal government alone employed over 920,000 people in 1939 Nearly 300,000 of these were in the unclassified lists [1] The latter has grown to this unusual figure because of the rapidity with which many new emergency agencies have sprung up since the depression

The largest civil service group is composed of the teachers in public education They represent 36 per cent of all civil service employees. The postal service follows with 11 per cent, rural highway maintenance, 9 per cent, the military forces, including civilian employees of the army, navy and marines, employ 8 per cent, police and fire protection require 6 per cent, municipal public utilities, 3 per cent, and miscellaneous positions 27 per cent [2]

[1] The unclassified lists are composed of positions for which workers are not required to take examinations These include unskilled laborers, or trained technical workers Nurses, dietitians, medical officers, and social workers are given temporary appointments in the Veterans' Bureau because there were no qualified eligible appointees Several thousand jobs are excluded from the classified list by law These are still regarded as jobs for spoilsmen

[2] These figures have been greatly altered by the national defense effort Members of the armed forces should not be considered civil service employees

The number of employees our government can afford to have depends upon the kind of service the people want. The merit system can give us the greatest amount of service at less cost, because it eliminates the waste and inefficiency of the spoils system. However, if we want the efficiency of the merit system, we must not consider government service as a means of patronage or soft jobs for political henchmen.

Is the Spoils System Essential to Party Organization and Responsibility? In America our government operates under the two-party system. These parties serve a three-fold purpose: (1) as a device for

Farm Security Administration, photo by Vachon

This picture of a polling place suggests many of the reasons for the spoils system. One necessary step in good government is proper control of voting places.

nominating and electing officers, (2) as a means of putting into action the principles of influential groups, and (3) as a device for controlling the spoils of office. By virtue of his office, the President of the United States is in practice the leader of his party. He is also responsible for enforcing the law and efficiently conducting the administrative services through his selected subordinates. The allegiance of loyal party workers who have received jobs and political favors gives the President the support he needs in carrying out his policies. Party lines are strengthened through patronage. Hence, it has become a tradition for every

newly elected President to fire much of the federal administrative personnel not protected by the civil service He thereby makes room for party workers We may wonder if the spoils system is essential to party organization and solidarity Our people generally judge the President on his record, but party leaders judge him by his distribution of jobs Patronage also helps the President to gain the support of congressional leaders in sponsoring his policies Under the British system, on the other hand, the Prime Minister has very little patronage at his disposal His party and his people judge him on his record That is why the British Civil Service System is one of the most competent in the world

The problems of our time make it necessary that more public servants be placed under the merit system Public health officers must be trained in medicine, drinking water must be tested by chemists, and public finance must be in charge of experts in auditing

It is certainly not to our credit that we permit politicians to control the administrative services of the government If we are successful in extending the merit system to the selection of an administrative personnel, then the battle between parties can be fought on public issues rather than on spoils and patronage This will make the task of our elected officials much easier Finally, we must arouse people from their indifference to the spoils system Some action has already been taken by the League of Women Voters and the National Civil Service Reform League

How the Merit System Works Civil service examinations for federal positions may be taken at a number of places There are 13 civil service districts in the United States and approximately 4,500 local boards of examiners Information concerning examinations and applications may be secured at the headquarters of any of these districts Examinations are conducted at one or more central points within the district

An applicant must give evidence of good health and character Except in special cases positions are restricted to citizens of the United States Examinations consist of "standardized" tests devised to measure general intelligence, factual information, and individual aptitudes These tests may be supplemented by an oral interview in which an applicant's personality and temperament are appraised Tact and social adjustment are just as important as skill or ability in certain positions Tests for skilled workmen, such as mechanics, are based upon an applicant's ability to perform a specific piece of work In positions which require technical skill, such as that of a chemist, an applicant submits

a record of his educational training, experience, and proof showing ability to perform a piece of original research.

Laws have been enacted by Congress, and by some of the states and municipalities, giving war veterans preference to positions. A disabled veteran is given 10 per cent in addition to the regular marks received on his examination. If that brings his grade to 70 per cent, the passing mark, his name goes to the top of the list, regardless of the high grades earned by others. Veterans not disabled are given a 5 per cent addition to their grade, but they do not advance on the list. Veterans are also given preference in appointments, sometimes in promotion, and often they are retained when forces are reduced. Such rules violate the principles upon which the merit system is based.

A true merit system provides equal pay for equal work, regardless of sex. Opportunities are provided for promotion by further study. Transfers are made possible to prevent stagnation. Employees may be dismissed for dishonesty, inefficiency, or for violating the rules of the service. If reductions are made, due to economy measures, employees are placed upon a re-employment list and taken back before new applicants are considered. Employees may retire on a pension, supported by joint contributions of employer and employee. The merit system attracts capable people by providing work for which they are fitted. All this gives them a measure of security and independence.

Public Careers for Service

How Government Positions in the "Classified Service" Are Obtained. Let us assume that you are interested in taking an examination for the position of railway postal clerk. Applications may be secured from your local postmaster or from the Civil Service Commission at Washington. To be eligible you must meet certain physical requirements, such as a minimum height of 5 feet, 6 inches, and a minimum weight of 135. Such defects as the loss of limbs, eyes, defective hearing or vision, or being physically incapacitated to carry on the duties of a postal clerk will be a bar to appointment, except in the case of disabled veterans. An applicant must be between eighteen and thirty-five years of age.

Examinations for railway postal clerks are composed of two parts: (1) mail tests which include routing, following instructions, and sorting (60 points), (2) general test, including arithmetic, analogies, spelling, vocabulary, geography, civil government, paragraphs, etc. (40 points). About three and one-half hours are required for the examination.

If an applicant receives a passing mark of 70 per cent, or better, his name is placed on the register of eligibles The railway postal clerk register is kept according to states, and when a vacancy occurs in a certain state, a resident of this state is certified to fill it

Upon entering the postal service it is usually necessary to serve an apprenticeship as a substitute Upon regular appointment a clerk receives $1,850 yearly Each year $150 is added until he reaches the sum of $2,450 [1]

He receives a vacation of 18 to 20 days each year with pay Ten days additional are granted with full pay for sickness The unused sick leaves accumulates to a maximum of 30 days with pay Employees who have served 15 years and reach the retirement age are permitted to retire on a pension They contribute 3½ per cent of their salaries toward retirement.

Positions in the "Unclassified Service." Of the 300,000 positions in the "unclassified" service, there are many important positions such as assistant-secretaries of departments, assistant attorney-generals, bureau chiefs, collectors of customs, the appraiser of merchandise, and the surveyor of customs at the Port of New York, assayers and superintendents of mints, collectors of internal revenue, United States attorneys and United States marshals, commissioners of immigrations, registers of land offices and many others These jobs are still considered plums for the politician

The various classes of postmasterships throughout the United States were long regarded as a part of the spoils system to feed the politicians hunger for patronage In practice a newly elected President appoints his party campaign manager as Postmaster-General As a dispenser of patronage this official has in the past ignored those recommended for postmastership by the Civil Service Commission Instead, he sent to the President a list of loyal party workers to fill approximately 13,000 jobs in the first, second, and third class This condition has long been recognized as a blot on the nation Accordingly, Congress in June, 1938, enacted legislation placing all postmaster positions under the classified service without term These positions may now be held permanently by the present postmasters if they successfully pass non-

[1] Since the passage of the LaFollette-Lloyd Act in 1912, the federal government has not opposed the organization of its employees into unions Union members never go on a strike, for it is recognized as a crime to disrupt the government service It has also been held that the Wagner Labor Relations Act does not apply to government employees However, if a postal employee, who is a member of the National Association of Letter Carriers (an A F of L affiliate), has some grievance, a representative of the national organization will seek an adjustment with the Post Office Department Some solution is generally reached to satisfy all parties concerned

competitive examinations For those who are newly appointed, competitive examinations are provided Employees in the lower ranks may be promoted if they meet the requirements A true career service will be established, by putting all postmasters under the merit system, by abolishing residence requirements, and by training postmasters and promoting them after they are qualified by training and experience

So many emergency agencies were created under the administration of President Franklin D Roosevelt that the Civil Service Commission was not equipped to examine all of them Furthermore, the President did not direct that they be placed in the classified service, as he was anxious to speed up important projects Such practices aid in disrupting the civil service

The Tennessee Valley Authority has worked out its own merit system It makes its own appointments and promotions on the basis of merit and efficiency The TVA has a personnel department which, in co-operation with the United States Civil Service Commission, has worked out a plan combining the best features of the civil service practices and those developed by private concerns. Thus, 12,000 employees are selected to fill various types of trades, occupations, and professions The personnel department continues to watch over the welfare of employees after they are hired through proper placement, guidance, training, and health programs

Opportunities for Careers with the National Government. The national government offers many opportunities to young men and women for a "career service" under the merit system Patent office examiners have been career men since civil service reform in the seventies High standards of training are necessary to enter the forest service of the Department of Agriculture, but it offers challenging opportunities for a professional career Many young men receive valuable technical training by working in the Bureau of Labor Statistics The Department of Agriculture has established a graduate school for "in-service" training of employees after they are appointed In one year the department offered over 40 courses, with an enrollment of over 400. Katherine Lenroot is an example of an employee who rose from one of the lowest positions in the Children's Bureau to become its chief

In 1906 the consular service was put on a civil service basis The Rogers Act in 1924 formed the United States Foreign Service by combining the consular and diplomatic services The State Department later set up the United States Foreign Service Officer's Training School Those who enter this school must be physically fit and pass

an oral examination proving address, insight, mental, and temperamental qualities Upon appointment to the foreign service, officers receive $2,500 It requires five years to move into classified service

The Merit System in Other Governmental Units. 1 *In States and Counties* Because in these governmental units patronage still remains a part of the politician's stock in trade, state and county governments have been slow to adopt the merit system The first states to adopt the plan were New York and Massachusetts In 1935 only nine of our states had put the merit system into force, while Kansas had abandoned it When the pressure for public jobs becomes strong, as during a depression, state legislators often refuse to appropriate money for the upkeep of their civil service commissions Public positions are then thrown open to friends of the politicians As near as can be estimated, only 38 per cent of state employees, and 14 per cent of county, township, and district employees are chosen on standards of merit

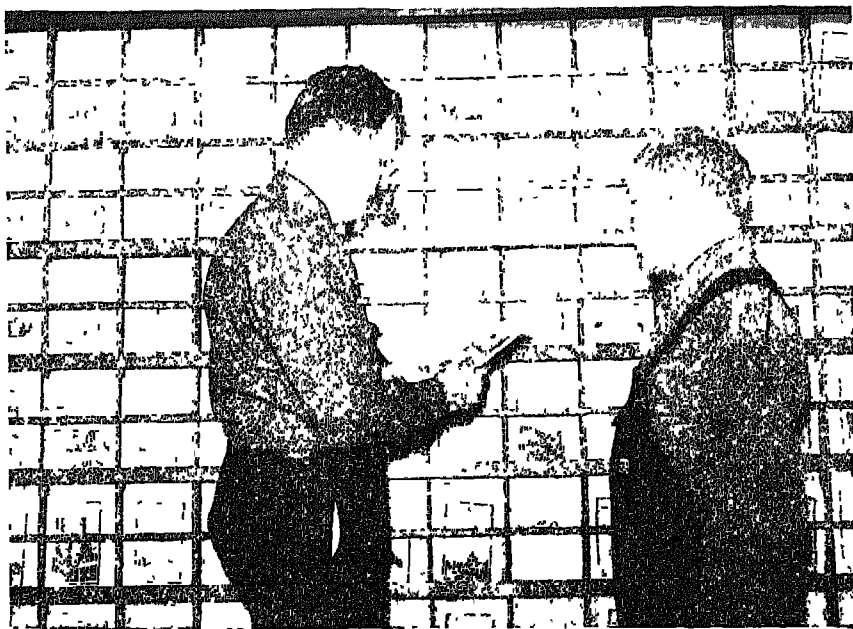
Control of the merit system varies with each individual state Some have full-time commissions, with overlapping terms, of which some run as long as six years Salaries range from $7,000 to $9,000

Massachusetts has a modified plan One commissioner is appointed for full time, while his two associates serve only part time Wisconsin and New Jersey, on the other hand, have a part-time commission with a full-time technical advisor, who acts as the executive officer of that body Maryland has a full-time commissioner California added an amendment to her constitution making the merit system a part of the organic law This will prevent political tampering

These commissions set up a classified service, examine and certify applicants on a "one-in-three" basis, meaning that an executive may choose from the three highest qualified Political activity of employees is prohibited and they are protected from dismissal for political reasons

Counties have been more reluctant to adopt the merit system than the states Only four in the United States have Civil Service Commissions—Cook County, Illinois, Los Angeles and Alameda Counties, California, and Milwaukee County, Wisconsin In four cities—Denver, St Louis, San Francisco, and Baltimore—the city and county commissions are combined In New York, Ohio, and New Jersey, the county personnel is co-ordinated with the state If the county-manager plan gains ground, more county employees will in all probability be placed on the merit principle

2 *In Cities* The merit system has spread more rapidly in our cities

Out of nearly 600,000 employees working in over 16,000 incorporated cities in the United States, 59 per cent are under civil service standards.[1] Most of the cities operating under a council-manager have either a strong civil service commission, or a sound personnel system. The personnel director is appointed by and is responsible to the city-manager. Notable examples in cities which operate under the man-

Farm Security Administration, photo by Vachon

A farmer looking over pamphlets issued by the U S Department of Agriculture. The government service offers many opportunities for specialists who prepare this material and apply the information to actual farm conditions.

ager plan, and where careers and advancement may be won on merit, are Cincinnati and Dayton, Ohio

Municipal administration can no longer be left to the inexperienced. Too many positions require expert knowledge. Milk and meat must be inspected, weights and measures tested, and factories made safe for workingmen. Cities also employ people trained in highway and sanitary engineering, forestry, chemistry, accountancy, and geology. People no longer trust their lives and property to incompetent policemen and firemen. Even in cities which do not have the merit system, there

[1] New York, Chicago, Philadelphia, San Francisco, Cleveland, Pittsburgh and New Orleans have Civil Service Commissions. Usually members are appointed by the mayor and too frequently proper party affiliation seems to be the important qualification

are frequently police and fire boards to determine qualifications, to make appointments and to handle departmental discipline.

3. *In Social and Educational Services.* As yet, very little has been accomplished in applying the merit system to social workers. There is a need to protect those whose duty it is to administer public welfare agencies, poor relief, mothers' pensions, etc. To these may be added juvenile court employees, probationary officers, and those who look after school attendance.

Professional standards have been accepted for librarians. By 1935, six states had set up certified requirements for these positions, eight states had requirements for school libraries, and eight for county librarians.

Perhaps the greatest strides have been made by standards set up for teachers in the public schools. Here the primary requisites are training, experience, and character. Teachers must meet certain standards in professional preparation. They are licensed either by examination or proof of proper training. They must also meet certain physical requirements. In some systems sick and sabbatical leaves are established. Many states guarantee minimum salaries. The position of capable and well-qualified teachers are protected from political tampering in some states by tenure laws. In others, teachers are given security by a pension system upon retirement.

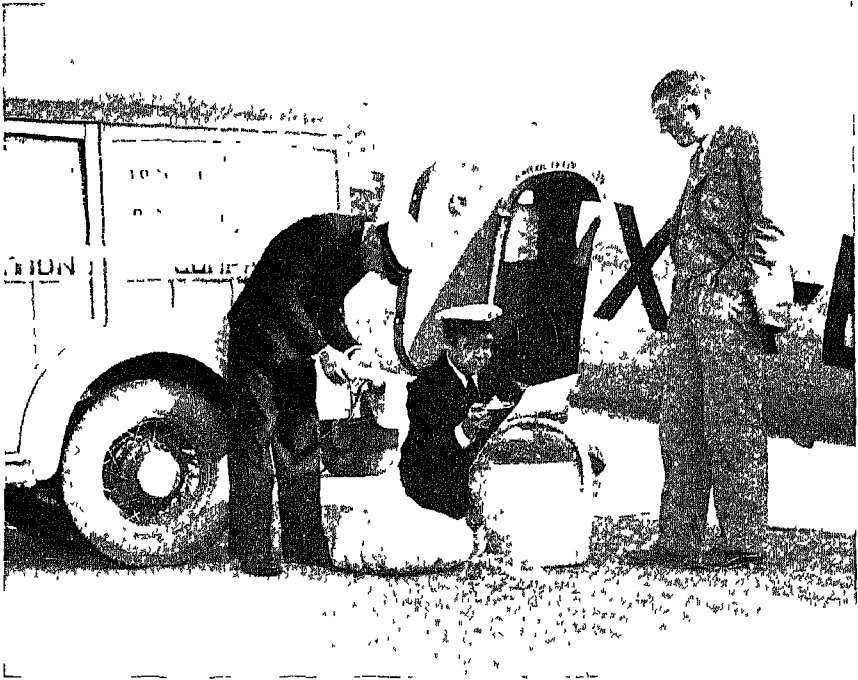
How We Can Make the Merit System Attractive. The merit system must interest trained young people in a career-service by making positions attractive and challenging. The civil service must offer employees a living wage. Of all federal employees, less than 5 per cent earn over $3,000 a year, and 48 per cent earn less than $1,500 a year. In Ohio 95 per cent of civil service employees earn less than $3,000 annually.

There must also be some chance for promotion within the service. A strong personnel service is needed to rate the efficiency of government workers. Examinations should be conducted to bring promotion to those who have profited by training and experience. Provisions must be made to eliminate the unfit from the service. If it is found that men can do better work in another department, they should be transferred to another. Government employees must be given an opportunity to retire at a reasonable age with an adequate pension.

From the standpoint of merit and efficiency not much of a case can be made for showing preference to war veterans for government jobs. Of the 180,000 veterans employed in 1934, there were 14,000 who were disabled. Such exceptions to the rule tend to disrupt a strong civil service.

There is also a civil service regulation which requires all federal

employees in the District of Columbia to be apportioned according to the population of the states This provision still smacks of the spoils system and should be abolished The sole criteria for placing worthy people in government positions should be merit and ability and not an equitable division of patronage among politicians

Recommendations of the Commission of Inquiry on Public Service Personnel The Social Science Research Council appointed a group of

Farm Security Administration, photo by Lange

These Plant Quarantine inspectors are examining baggage from Mexico for injurious insects Jobs of this sort are under the civil service

trained and qualified men in 1933 to study the public problem of governmental man power This group, called the Commission of Inquiry on Public Service Personnel, outlined a program for future action [1] They found that the work of government, performed by an appointed personnel is made up of five types of services They made specific recommendations for each

1 *The Administrative Service* Manager of government enterprises and government executives Recommendations Selections made from those with an advanced general education Examinations

[1] *Better Government Personnel,* A Report of the Commission of Inquiry on Public Service Personnel, New York McGraw Hill Book Company, 1935, pp 13-45

based upon leadership and the ability to handle people Candidates will be trained after selection, hence it is more important to know what they are rather than what they know about specific skills

2 *The Professional and Technical Service* This group includes lawyers, doctors, teachers, engineers, architects, and social workers Recommendations Age limits from twenty-three to twenty-eight years of age Present evidence of professional training and examinations to be based upon knowledge of specific training
3 *The Clerical Service* Falls into two groups—clerical and clerical executive Tests of general intelligence and special skills Preferably two years of high-school work The latter group should have a higher age limit and be examined on high-school subjects
4 *The Skilled and Trades Service* High School graduates Mastery of skills and trades Examination by use of practical tests
5 *The Unskilled Service* No reference to education Test based on fitness for the work and practical tests on the job No particular age limit

Conclusion. As to the administrative functions of government increase it becomes imperative that we abandon the spoils system for career services Many positions are open to young men and women of training and ability There is a demand for skilled workers such as stenographers, auditors, bookkeepers, statisticians, chemists, bacteriologists, surveyors, geographers, postal employees, and others The new tasks assumed by the government require employees trained in the fields of industrial regulation, public welfare, housing, soil conservation and planning

It should not be necessary to know some influential person with "political pull" to secure one of these positions Rather, the important requirement is the ability to perform these tasks satisfactorily A government must have capable, industrious workers if it is to be efficient No amount of reorganization will take the place of such a personnel.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest spoils, civil service, merit system, patronage, Pendleton Act, classified service, Civil Service Commission, in-service training, certification, one-in-three rule, personnel system, political pull

INFORMATION, PLEASE!

2 **a.** Explain how the spoils system works, and show what attempts have been made to correct this abuse **b.** Enumerate the principal provisions of the Pendleton Act, and distinguish between the classified and unclassified service **c.** Explain the term civil service and show how extensively it is applied in the United States **d** Is the patronage system essential to the success of political parties? Why? **e** Show how government positions may be obtained in the classified service **f** Enumerate examples of opportunities for careers with the federal government, in states, counties, and cities **g** What recommendations were made by the Commission of Inquiry on Public Service Personnel for improving the merit system? **h** Show how the civil service can be made attractive to capable people who wish to follow government careers

CAN YOU THINK?

3 **a.** "The Pendleton Act is the Magna Charta of the civil service" Explain **b.** As inefficiency is hard to prove, it is almost impossible to discharge a civil service worker except for crime Does this mean that civil service protects the incapable? **c.** Political leaders sometimes get around the civil service by (1) abolishing public jobs and later recreating them, (2) by refusing to appropriate money to support the Civil Service Commission How can these evils be overcome? **d** In England, aside from cabinet appointments, there are less than 100 positions outside the civil service, while in some of our cities, the turn-over of government positions runs as high as 90 per cent with the change of political administrations How does this affect the cost of government and the efficiency of service? **e.** "A permanent civil service creates a favored office-holding class This necessitates rotation in office if we are to preserve democracy" Do you agree?

WE LEARN BY DOING

4 **An Oral Report** List as many arguments as you can think of for and against the civil service Present your findings to your class For suggestions see E A Krug, *Civil Service* (North Central Association Pamphlet, 83-84), also *The Civil Service in Modern Government* (National Civil Service Reform League Pamphlet, 33-37)

5 **Chart** Make a chart of the U S civil service employees in the classified and unclassified service for 1941 See *World Almanac*, 1941, 830

6 **Committee** Appoint a small committee to interview a postmaster, a mail-carrier, a librarian, a school teacher, a fireman, and a policeman Find out the requirements for securing one of these positions Is political

favoritism a factor in obtaining employment? Are employees permitted to organize for political action? Are there pension provisions for retirement? Do politicians make temporary appointments to evade civil service rules? Are salary schedules provided? Report findings to your class

7 **An Investigation** Find out if your city or state provides for the merit system Interview or write to the secretary of the Civil Service Commission for literature or information Learn all you can about positions inside and outside the civil service examinations, duties, salaries, and supervision of employees Report to your class

8 **Panel Discussion.** "The political party that is victorious at the polls has an implied mandate from the voters to appoint public employees who will co-operate to carry out its policies"

WE READ FROM OTHER BOOKS

9 **General Readings** Consult Ayers Brinser, *Our Government, For Spoils or Service,* Public Affairs Pamphlet, No 3, C C Carrothers, *Civil Service, Our Government as an Employer,* North Central Association Pamphlet, K A Frederic, *Trained Personnel for Public Service,* National League of Women Voters Pamphlet, Washington, D C, R Keohane, M Keohane, and J McGoldrick, *Government in Action,* chap xxvii, F Magruder, *American Government* (1941), chap xxxvii, *The Civil Service in Modern Government,* National Civil Service Reform League Pamphlet, 521 Fifth Ave, New York City, United States Civil Service Commission, *Annual Reports,* Superintendent of Documents, Washington, D C

10 **Civil Service Examinations.** Many factors enter into preparing for a government position Some of these are discussed in L Meriam, *Public Personnel Problems,* Brookings Institution, chap iii, J C O'Brien and P P Marenberg, *Your Federal Civil Service,* chaps iv-ix, L J O'Rourke, *Opportunities in Government Employment,* chaps ii-iii

11 **Opportunities to Work for the Government** Many interesting positions which offer permanent careers are available with the government to people who possess training and qualifications Consult L J O'Rourke, *Opportunities in Government Employment,* chaps iv-xv, L D White, *Government Careers for College Graduates,* pamphlet, Civil Service Assembly of the United States and Canada, 850 East 58th Street, Chicago, Illinois

12 **Working Conditions in the Civil Service.** Opportunities for promotion, sick leave, vacations, and pensions are offered by the government to its civil service employees Consult L Meriam, *Public Personnel Problems,* chaps iv-vi, viii-ix, *Government Positions,* Advisor's Handbook, The Pergande Publishing Company, Washington, D C

CHAPTER 26

PUBLIC OPINION IS THE BASIS OF AUTHORITY IN THE DEMOCRATIC STATE

★★

In a democratic society government is controlled by the will of the people If the people are to form sound opinions, we must not permit the sources of information to be controlled for selfish purposes Free speech and a free press are the weapons by which free people can defend their freedom.

★★★

The Nature of Public Opinion

What Is Public Opinion? Public opinion is an intangible thing The term is often loosely used, its meaning is vague and indefinite Used in a broad sense, public opinion represents the prevailing convictions of a majority of people who have definite attitudes on problems which affect our general welfare It is not necessarily the unanimous opinion of the people

Public opinion develops when there is controversy or conflict It is nourished by personal convictions about debatable questions Good examples are such problems as relief, labor unions, balancing the budget, conscription, or the foreign policy of our government

Distinct opinions may also be developed by minority groups Business men, for instance, are against government interference and increased taxation, farmers work for crop insurance, war veterans lobby for a bonus, and old people want a pension The public may therefore be divided into many minorities, based on sex, financial status, economic and political beliefs, social, religious, and racial groups The views of each do not necessarily represent those of the general public

Public opinion is not static, it is continually changing Public opinion brought the prohibition amendment and public opinion brought its repeal In the light of recent European conquests, public opinion quickly favored raising an army by conscription in peacetime Very little opposition was raised to spending vast sums to create a two-ocean navy and the world's largest air force

No one can say definitely what the public thinks on every contro-

versial question. But when public opinion becomes crystallized, its force is quickly felt, its nature is readily understood.

How Stereotypes Help to Mold Public Opinion. Public opinion is a mass of stereotyped thinking. Ask 100 Americans to define the term "Bolshevik" and the majority would no doubt describe an unkempt, bewhiskered, bomb-throwing radical who wants to change the world by revolution and anarchism. This mental picture is not a true representation of the average Russian. Few Americans have ever been in Russia, some have never seen a Russian. We do know, however, that the Russian system is opposed to much we hold to be right and just. Our minds have been conditioned to believe that Russians are bomb-throwers, radicals, and revolutionists. Our thinking has been accomplished by a stereotype,[1] which is a preconceived mental image of a thing before we actually see or experience it. These mental pictures are colored by such sentiments as hate, fear, love, affection, loyalty, hope, and pride.

Try to define your emotional feelings in reference to the following terms:

WPA	divorce	prohibition
graft	West Point	Munich
G-Man	Wall Street	the President
Harvard	socialist	Jefferson Davis
Fascist	*Mein Kampf*	Mussolini
Communist	Supreme Court	Hitler

To some, a man on WPA is a lazy, shiftless shovel-leaner, to others, especially to relatives or friends, he is a martyr for working at such a small wage. Government officials may be considered grafters, G-Men as saviors of the country. The Populists thought of Wall Street as a gambling den controlled by rich men who exploited the masses. All of us indulge in stereotyped thinking at times. But it is hard for us to become truly tolerant of others unless we learn to recognize that many of our opinions are created by stereotypes.

Stereotypes are constantly used by successful advertisers in the form of labels. If repeated often enough they soon become household words.

[1] Other nations have stereotyped ideas of America. The French called us Shylocks or money-grabbers because we insisted that they pay their war debts. When we revile the Germans for mistreating the Jews, they point to our Negro lynchings. Japanese visitors recently refused to leave their New York hotel at night for fear of being murdered by gangsters. They considered the lives of all Americans to be in continual jeopardy. Thus the whole of American life may be stereotyped in the eyes of foreign people, much depending upon the mental picture which they gain of us through newspaper accounts or moving pictures.

Thus a certain brand of cigarettes is known because "It's Toasted," certain soap because "It Floats," and certain gasoline because it is called "Fire-Chief." The seal is a popular stereotype used to raise funds for such organizations as the Anti-Tuberculosis League.

The use of symbols is also an effective device used to arouse our emotions. Our flag represents democracy and freedom. The royal family of England is one of the symbols that holds the British Empire together. The national anthem stirs our patriotic feelings, the cross commands respect for the church. Symbols, catchwords, and popular phrases are therefore powerful weapons for creating stereotypes. Anyone who dares to blur some of these stereotypes, by thinking differently from the group, is in danger of being silenced forcibly, especially if the stereotype is a powerful one.

Devices Used to Sway Public Opinion. Many devices[1] are used in political campaigns to appeal to the emotions of the people.

1. *Name Calling.* This device is an appeal to prejudice and hate by attaching bad names to individuals, policies, racial groups, and religious beliefs. The foreign-born are stigmatized with such names as "dago," "wop," "chink," "greaser," and "bohunk." Negroes are called "coons." A "pacifist" is held in contempt because he will not bear arms, a "war-monger" is one who wants war for wholly selfish reasons. Those considered unorthodox in their political thinking are often called "radicals," "agitators," or "reds." Name calling is nothing more than an attempt to defame the character of an opponent.[2] Many people will accept these words as truth without examining the facts.

2. *The Glittering Generalities Device.* This device is used to sway the mass mind by such virtuous words as truth, freedom, honor, liberty, democracy, social justice, public service, the right to work, love of country, the stars and stripes, the home of the free and the brave, 100 per cent Americanism. These words suggest ideals which we accept

[1] Adapted from Institute for Propaganda Analysis, Inc., Vol. I, Number 2 Monthly letter, November, 1937, and from a lecture by Clyde R. Miller, Associate Professor of Education, Teachers College, Columbia University.

[2] Bad names are also called "smear" words. Here are a number: capitalist, dictator, moss-back, striker, rat, grafter, sponger, welcher, road hog, speakeasy, swindler, public enemy No. 1, brain truster, reactionary, rugged individualist, aristocrat, fraud, fake, sham, gyp, crook, squealer, corruptionist, bureaucrat, sucker, rabble, herd, snob, ignoramous, sabotage, exploiter, labor spy, Hitlerite, profiteer, and crackpot.

Good names are: distinguished citizen, leader, democrat, a commoner, friend of the people, upright and outstanding citizen, peace lover, farmers' friend, benefactor, philanthropist, man of the people, defender of the faith, honorable citizen, one in a million, beloved citizen, kindly, just, religious family man, churchgoer, lover of children, professional man, and self made man.

Adapted from *The Making of Their Modern Minds. The Study of Public Opinion,* by William Van Til, Social Education, Vol. III, No. 7, October, 1939, pp. 467-72.

and approve without examining the merits of the particular issue under discussion. Our old Fourth-of-July orators made all their great effects by rolling and glittering generalities with which everyone agreed. The name-calling device arouses our antagonism, glittering generalities make us feel good. They are essentially emotional appeals.

3. *The Transfer Device.* People will more readily accept a thing if the church accepts it. If this organization gives sanction to some cause, then it transfers its prestige to the project or program being considered. This is an example of "transfer device."

The cartoonist successfully uses the transfer device to arouse our emotions. The lion represents the strength of the British Empire. Political bosses are sometimes pictured as fat, greedy monsters who prey upon the public. The transfer device is used for and against causes and ideas.

4. *Testimonial.* The testimonial device is used to make us accept things which are endorsed by prominent people. Movie stars sometimes testify (for a price) that they prefer certain perfumes, soaps, or cigarettes. We are influenced by the opinions of those whom we respect or envy.

5. *Plain Folks.* Politicians, business men, labor leaders, even ministers and educators use this device to win our confidence by appearing to be just ordinary people. The politician will attend clam-bakes, country picnics, and reunions. He shows his devotion to children, to church, to home, to mother. Theodore Roosevelt was a good publicist. He appeared in the role of cowboy, rough-rider, soldier, naturalist. Calvin Coolidge won the hearts of the common man by taking the oath of office from his father, a justice of the peace, in the old family parlor by the light of a kerosene lamp. Will Rogers appeared at the White House in a business suit while others wore evening clothes. This is a device intended to show that a big man can have simple tastes like the rest of us.

6. *Card-stacking.* The "card-stacking" device is part of the art of deception. Facts may be omitted, false testimony may be offered, truth may be distorted. The politician will dodge issues and evade painful facts. He wants embarrassing matters forgotten. He draws a "red herring" across the trail to confuse or divert the attention of those in quest of facts he does not want revealed. The card-stacking device is also used to build up patent medicines, prize fighters, mediocre candidates. Half truths and falsehoods are masqueraded as truths.

7. *The Band Wagon.* This device seeks to influence people to follow

the crowd. The theme song becomes "Everybody is doing it, why shouldn't I?"

How Public Opinion Is Measured. Since 1900 there have been many attempts to measure public opinion. The mistakes made by early polls have been corrected by applying new scientific methods to the interpretation of statistical data. We can now learn with considerable accuracy what the free people of a democracy are thinking about. A survey, to be accurate, must contain a sample or a cross-section of each important voting group in American life. Each poll must be controlled so that every group is represented in exact proportion to its voting strength. In the state of Iowa, for example, about 12 per cent of the total population are receiving relief, old-age assistance, or work on WPA projects. Thus 12 per cent of the interviews would have to come from persons on relief. The American Institute of Public Opinion[1] employs six main controls. Its sample must contain the proper proportion of (1) voters from each state, (2) men and women, (3) farm voters, voters in towns and cities under 2,500 or less, and voters in towns and cities over 2,500, (4) all age groups of voters, (5) voters of all income groups, (6) persons who are Republicans, Democrats, and of other political affiliation. Timing is an important element in predicting an election, for certain events during the last few weeks of a campaign may change public sentiment. Furthermore, no poll can be perfect. The Institute allows a 4 per cent margin for probable error.

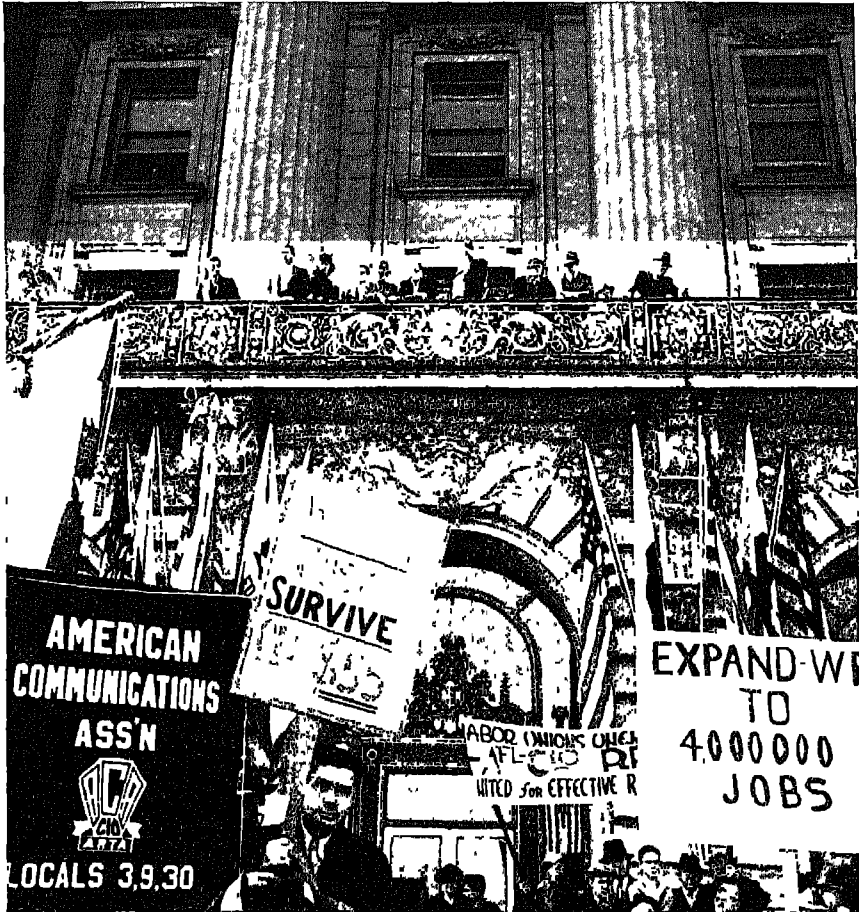
The Institute forecast President Roosevelt's election in 1936. It correctly placed 42 of the 48 states; it listed three states (Maine, New Hampshire, and Vermont) for Alfred M. Landon.[2] It further predicted that Governor Lehman would be re-elected in New York State, by receiving 50.2 per cent of the popular vote. The Institute conducts other surveys on social questions, such as the proposed federal marriage and divorce laws, the federal spending program, unemployment, civil service, war debts, and labor conditions.

Public opinion polls have been criticized for influencing public opinion as well as measuring it. Many people quickly join the majority group after learning which side of a cause is the most popular. This is known as getting on the "band wagon." The practice of taking unofficial polls may become a powerful factor in molding public

[1] These surveys are frequently called "Gallup Polls," after Dr. George Gallup, director of the Institute. Scientific methods are also used by the Crossley Poll and the *Fortune* Survey.

[2] In the national election of 1940 *Fortune* magazine made the most successful poll. It predicted that the President would win by a popular vote of 55.2 per cent. The final returns gave Roosevelt 54.5 per cent of the total votes cast.

opinion. Without any controlling force to direct it, it could readily become a powerful and dangerous weapon in the hands of unscrupulous people.

How Government Is Controlled by Public Opinion. In the final analysis, all governments are controlled by public opinion. In a dic-

Farm Security Administration, photo by Lange

One great constitutional right is that which permits the people to petition the government and advocate what they think is right. These people are protesting against cuts in the federal relief appropriations.

tatorship the opinions of the masses are formulated by the government through propaganda, thereby making it possible for the clique in power to control public opinion. All opposition to government policies is silenced. The people hear only what their governments want them to hear and to believe.

Public opinion plays a very important part in the success of democratic government. Our political leaders realize that no public policy can succeed unless it has the active support of the people. This is why shrewd politicians sometimes throw out a "trial balloon" (hints in speeches or press conferences favoring certain policies) to test public sentiment. If the reaction is unfavorable the proposal is dropped. This is what the newspapers refer to when they say politicians have their "ear to the ground" to test public sentiment.

Farm Security Administration, photo by Mydans

This picture taken in Vermont during the Presidential campaign of 1936 is a clear proof of political freedom.

People, for the most part, remain quite well informed concerning local issues. They understand local affairs because they are a part of their daily lives. On the other hand, many national problems, such as the gold standard, the devaluation of the dollar, reciprocal trade agreements, or a capital gains tax, are so technical that even the best-informed citizens would prefer to rely upon their leaders to make wise choices for them. But once attention becomes sharply focused upon problems which directly affect public interests, the voice of the people makes itself heard. On these larger issues, the masses express themselves in forceful terms.

We have a high duty to perform in keeping open the avenues of information, free speech, a free press, freedom of assembly, the right

to petition, freedom of conscience and worship Our schools have a distinct duty to teach their students to analyze critically, to examine problems thoroughly and impartially We must remain tolerant and respect the views of others, especially if their opinions are founded upon an impartial study of facts The masses do not wish to be fooled They want facts upon which they can form sound judgments An informed citizenry is our only hope of achieving and keeping a successful democracy.

The Radio and Public Opinion

Importance of the Radio. The radio is a new channel of communication With over 800 radio broadcasting stations and about 28 million radio sets, we are confronted with a new instrument which may be used for education or propaganda The radio reaches large audiences National hook-ups reach the whole country Radio competes with the newspaper as an agency for carrying news and advertising matter Political commentators such as Edwin C Hill, Elmer Davis, and Raymond Gram Swing have large followings who listen to their radio comments President Roosevelt used this new instrument to create confidence in his radio appeal to the people following the panic and hysteria of the bank crisis in 1933 The radio has opened a new public forum for the masses

Our broadcasting companies are licensed by the Federal Communications Commission Licenses can be revoked if the companies do not serve "the public interest, convenience and necessity" The radio business is privately owned and operated for private profit Sponsored programs are paid for by an advertiser Sustaining programs are provided and paid for by the broadcasting company Examples of the latter are the University of Chicago Round Table, and America's Town Meeting of the Air The radio presents varied programs—topics on religion, charity, education questions devoted to the discussion of economic, social, and political problems Much of the drama and humor originates in Hollywood or New York There are also lectures which stimulate interest in public affairs sponsored by such groups as the Foreign Policy Association and the National League of Women Voters

American broadcasts are based on the traditional American ideals of freedom of speech This has stimulated interest in the discussion of controversial public questions If the public interest demands it, opponents to all questions must be given an opportunity to reply No

one can monopolize the air The only requirement is that the speaker must not use obscene, indecent, or profane language He also is subject to the laws of libel for the defamation of character

During national elections there is great demand for radio time The broadcasting company must charge for this service, or write it off at a loss For those political interests which have the largest campaign funds, the radio becomes a vested interest Either the sale of radio time should cease altogether, or there must be free provision for those who cannot afford to pay for it

Problems of Radio Control. In Great Britain the radio is owned by the government and there is a large measure of public control Since there is no commercial advertising to pay the costs of broadcasting, each radio owner pays a tax of 10 to 12 shillings a year to support the system In totalitarian countries there is complete government ownership and control As a result, the radio has become one of the chief agencies of propaganda In Germany excellent musical programs are prefaced with propaganda References are made to the military strength of her new army, the iniquities of the Versailles treaty, the new position of women, together with a harangue against the Reich's enemies It is held unpatriotic and treasonable to refuse to listen to broadcasts by important political officials Listening to programs which originate outside the Reich is forbidden

The radio makes a public forum of world affairs Distant countries become our neighbors Americans can now listen to the Pope's appeal for peace from the Vatican We heard the abdication speech of King Edward VIII of Great Britain with ease and clarity We listened to the frantic plea of Premier Reynaud imploring us to send "clouds of planes" to rescue France The radio may yet become a powerful weapon for war or peace

The radio in America is presenting new problems What part must our government play in regulation, in censorship? How are we to control pressure put upon legislative bodies through air appeals? The whole question is how we are to guarantee freedom of the air The radio promises to become a new instrument for group control Its greatest contribution in America is that it permits the presentation of impartial facts on all public questions Our task is to see that it does not become the tool of self-seeking interests It should remain an instrument for enlightening public opinion The people should be free in modifying their own opinions, in rejecting old ideas and forming new ones in the march of political and social democracy

THE NEWSPAPER AND PUBLIC OPINION

The daily press is one of the greatest forces in shaping public opinion W. T Stead, famous British editor, once said, "I am but a comparatively young journalist, but I have seen cabinets upset, ministers driven into retirement, laws repealed, great social reforms initiated . . . generals nominated, governors appointed, armies sent

Farm Security Administration, photo by Delano

A basic principle of democracy is to read and write what we please so long as it does not endanger society

hither and thither, war proclaimed and war averted by the agency of the newspaper " Some newspapers render a public service by giving an impartial interpretation of current affairs Others simply print the news which is sensational If newspapers have no integrity, if they are obviously biased, they can create distrust and impatience with our democratic processes of government The solemn duty of the press should be to provide a quality of news which wins the respect of intelligent people

Newspaper Control The large metropolitan newspaper has become a gigantic commercial corporation "We are new satellites of the business office," says William Allen White, famous editor and publisher of

Emporia, Kansas. Large sums of money are required to establish and operate the modern daily paper There is an enormous expense connected with paying for executives salaries, staff help, reporters, photography, engraving, cartoons, and syndicated features

In 1935 there were 2,037 daily newspapers in the United States with circulation slightly over 40,000,000 Of these, 108 were published in a foreign language, with a daily circulation of more than 2,000,000 In addition, there are Sunday papers, magazines, and weeklies Certain of these newspapers belong to chains, that is, papers located in different cities owned or controlled by the same publisher In 1931 there were 56 newspaper chains in the United States One of the most powerful of these chains is owned by William Randolph Hearst In 1935 his 28 newspapers were worth nearly $100,000,000 Their total daily circulation was 5,500,000 The Scripps-Howard chain owns 24 newspapers which have a daily circulation of nearly 2,000,000 Six of the largest newspaper chains distribute over 25 per cent of our nation's daily newspapers. Most of the publishers of large newspapers belong to the American Newspaper Publishers Association *Editor and Publisher* is a magazine which helps owners and publishers to keep informed concerning their newspaper interests

Newspapers live almost entirely by the advertising which they print in addition to the news It has been estimated that 75 per cent of a newspaper's income is derived from this source The rate of advertising depends upon the circulation of the paper For example, a full page colored advertisement in the Sunday edition of one of our large metropolitan dailies costs the advertiser about $16,000 per issue Ralph Pulitzer of the *New York World* testified, "I happen to know that the *World* in its career has deliberately thrown away millions of dollars of advertising by attacking for the public good various interests which thereafter refused to advertise in a hostile newspaper " It is hard to determine to what extent the policies of the newspapers are determined by big business and high finance

How the Press Gathers News The world's news is usually provided by press associations The most important of these are the Agencie Havas of France, Reuter's of England, and the Deutsches Nachrichten Buro (D N B) of Germany Those of the United States are the Associated Press (A P), a mutual organization serving 1,400 newspapers, the United Press (U P) serving 1,200 newspapers, and the International News Service, owned by W R Hearst, which serves about 700 newspapers The American associations have news bureaus in all large

cities of the United States and the world Hundreds of newspapers rely upon the resources of these associations for accurate information

The foreign correspondent is responsible for selecting and reporting the news He often faces censorship and propaganda He must keep on friendly terms with his news sources and not irritate the country in which he is a guest Dorothy Thompson was expelled from Germany because her reports were considered unfair by the German government Other American reporters have been asked to leave the totalitarian countries because they have reported news which the dictators said discredited their governments in the eyes of the world

News is also gathered by special correspondents [1] When a newspaper wants first-hand information dealing with some outstanding event, such as a flood, or a criminal trial, the special reporter is detailed for the job He signs his articles and may even give conclusions and opinions His judgment is relied upon to furnish an interesting and accurate account of an event for the newspaper's readers Many large newspapers keep special correspondents in Washington and in their own state capitals to report political news

The good reporter interprets a story impartially, he omits personal bias, he does not permit his feelings to govern his judgment Good reporters know how to weigh evidence, they discount the prejudices of those from whom they gain tips, they keep their own emotions strictly under control

The Influence of the Newspaper 1 *Crusading* Some of the earliest American newspapers were influential in conducting crusades for social reforms William Lloyd Garrison, editor of the *Liberator*, agitated for the abolition of slavery The Tweed Ring which stole millions of dollars from the New York City treasury was exposed by the *New York Times* The cartoons which Thomas Nast drew for *Harper's Weekly* depicting the Tweed regime helped to create sufficient public protest so that the people elected a reform government

From 1900 to 1910 the so-called "muckrakers" made a series of exposures [2] They exposed the corrupt political conditions and the ruth-

[1] Washington correspondents gather a great deal of information from the press conferences of the President, cabinet members, and other top-flight public officials The President's remarks are "off the record," meaning that he cannot be quoted directly unless he gives permission, which he does only on rare occasions The White House is probably the most powerful pulpit in the country Under the Roosevelt administration, its doors have been thrown open to newspaper men and writers

[2] The "muckrakers" is a term applied to journalists and investigators who tried to interest people in reform movements by exposing corruption in our social, political and economic life Lincoln Steffens, in *The Shame of the Cities*, exposed corruption of local

less, illegal practices of corporations and trusts Magazines such as *McClures'*, *Munseys'*, *Everybody's*, *Cosmopolitan*, and *Collier's* became crusaders *McClures'* published a series of articles written by Ida M Tarbell which explained the ruthless practices of the Standard Oil Company This muckraking led to a stricter enforcement of our anti-trust laws The conditions exposed by the muckrakers were based upon facts and checked by painstaking investigations

At a later date, 1922, the *New York World* won the Pulitzer Prize for editorials and articles which exposed the Ku Klux Klan Don Mellett, fearless editor of the *Canton Daily News* (Ohio), was killed by gangsters for laying bare the crooked politics in his city

2 *Yellow Journalism* The "yellow press," or sensational newspaper, began with the struggle between Hearst and Pulitzer in New York to see which one could gain the larger daily circulation Screaming headlines of crime, murder, and divorce greeted the public Mr Hearst, for example, has been accused of starting the Spanish-American War An artist of the *New York Journal*, Frederick Remington, was sent to Cuba by Mr Hearst, owner and editor Remington wired from Cuba, "Everything is quiet There is no trouble here There will be no war I wish to return" Mr Hearst cabled back, "Please remain You furnish the pictures and I'll furnish the war"[1]

Some papers print misleading "extras" and "scare" headlines They use simple language and supplement the news with lurid pictures They live by "scoops," such as printing an actual photograph of the electrocution of Ruth Snyder, a condemned murderess, at Sing Sing They portray dramatically such stories as the Hauptmann murder trial Those papers have a large circulation among undiscriminating people, they do little to cultivate a refined public taste It is recognized that sensational stories increase the circulation of the paper Such stories also often lead to intolerance, violence, and even lynching and bloodshed

3 *Coloring the News* A biased newspaper will give "color" or a "slant" to the news It publishes only one side of a story As an illustration, when the sources for reporting the news of a steel strike come entirely from the employers, the strikers are pictured as being radicals, or agitators Public opinion in such a case is developed in favor of the employers It must be remembered that daily editions are gotten

governments Upton Sinclair in *The Jungle*, exposed the meat packing industry, and Thomas Lawson in *Frenzied Finance*, attacked gambling on the stock market

[1] Reported by Peter Odegard in *The American Public Mind*, New York Columbia University Press, 1930 p 115 See also Frederick Lundberg, *Imperial Hearst*, New York Equinox Co-operative Press, 1936, pp 68-69

out under pressure of the "deadline," hence, it is inevitable that omissions and overstatements will be made

The Editor Is Replaced by the Columnist. The greatest influence of the editor was wielded during the Civil War period and the decade which followed It has been characterized as the "golden age of journalism" Editors conducted powerful campaigns for the things they wished to achieve Often these were marked by hatred and vilification People suspended judgment on political questions until they had read Greeley's opinion in the *New York Tribune* The editorial, as an influence, however, seems to be on the wane The day of personal ownership is gone Newspapers are now great corporations, interested in selling news, not views The editorial policies of large metropolitan dailies are formed by editorial boards consisting of many able men The fact that President Roosevelt was re-elected in 1936, with 80 per cent of the press opposing him, proves to some extent that the public is not following blindly the editorial policies of the press

Personal journalism has taken on a new form in the reports of columnists Their opinions are written on foreign affairs, politics, humor, sports, gossip, etc The late Will Rogers and Arthur Brisbane were popular writers Ex-President Calvin Coolidge wrote a column for a short time Today's columnists include Walter Lippmann, Frank R Kent, Paul Mallon, Pearson and Allen, Hugh Johnson, Raymond Clapper, Westbrook Pegler, and others Their columns are syndicated, the service is sold to many newspapers Outside of furnishing information and interpretation, no columnist has been strong enough to influence the majority of the people one way or another

Are You an Intelligent Newspaper Reader? Intelligent newspaper reading depends to a large extent upon your political and social outlook If you hate Socialists you will probably read some paper which feeds your bias If you wish to be fair and impartial, you will gain a clearer picture by reading both sides Conservative persons should read liberal papers Liberals and radicals should read the conservative papers If you want all of the facts concerning the problems of labor and capital then read both accounts By reading several papers you will learn to weigh evidence

Do not confine yourself entirely to newspapers Some of the better periodicals print excellent informative articles You will soon learn to detect understatements and exaggerations No one can dogmatically give the true answer to all problems What appears to be the correct policy today may be wrong tomorrow You can learn a great deal by keeping an open mind on all questions

By being observant you will learn that newspapers, like individuals, have character. An honest newspaper strives for accuracy in reporting news stories. A paper that is fair does not assassinate an individual's reputation and character by printing unofficial charges without giving the accused a chance to be heard. An unbiased paper avoids printing distorted stories and emotional appeals. And finally, any newspaper that is worthy of your support will faithfully guard one of the most sacred tenets of American liberty—Freedom of the Press.

Conclusion. An informed public opinion is one of the greatest forces for controlling the democratic processes of government. This opinion is formed in many ways—by the radio, the newspaper, the magazine, and, to a less extent, by books. The citizen has, and should have, opinions on the controversial issues of the day to contribute to the total public opinion. He should recognize the devices that may be used to distract him and, at the same time, realize that the formation of an intelligent opinion is possible and is his personal responsibility. Democracy is built on the premise that men can think. It is up to us to justify that belief.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest: stereotype, slogan, red herring, trial balloon, sustaining program, D.N.B., A.P., censorship, press conference, crusading, muckrakers, Pulitzer Prize, scoop, coloring the news, columnist, Institute of Public Opinion.

INFORMATION, PLEASE!

2. **a.** Give examples of public opinion created by majority and minority groups. **b.** Enumerate and give examples of political devices for influencing opinion and show which ones create intolerance. **c.** How do governments controlled by a dictatorship direct public opinion? **d.** Show how the radio molds public opinion. **e.** How does government control of radio in the United States differ from that in Great Britain and Germany? **f.** Why is the press considered one of the greatest forces in shaping public opinion? **g.** Is the policy of the modern daily newspaper influenced by the fact that it has become a part of gigantic business enterprise? **h.** Show how the press gathers its daily news. **i.** Give examples of crusading reforms carried on by newspapers. **j.** How does the "yellow journal" color the news? **k.** In what sense has the columnist replaced the editor? **l.** How can you become

a more intelligent newspaper reader? **m** Show how public opinion can be measured statistically

CAN YOU THINK?

3 **a.** "When everybody thinks alike, nobody thinks at all" Comment **b.** Are the greatest emotional appeals made through the press, the radio, or through motion pictures? Give your reasons **c.** The satirical cartoon is more effective in molding public opinion than an editorial Discuss **d.** Lincoln once said, "You may fool all of the people some of the time, and some of the people all of the time, but you cannot fool all of the people all of the time" What did he mean? **e.** "Vox Populi, Vox Dei" (The voice of the people is the voice of God) Defend your position

WE LEARN BY DOING

4 **A Special Report.** Several times in American history, our civil liberties have been placed in jeopardy Examine the Alien and Sedition laws passed in John Adams' administration, the suspension of the *habeas corpus* by Lincoln, and the Espionage Act during the First World War Show how the opinion of minorities was suppressed during these periods See Zechariah Chafee, *Freedom of Speech,* or an advanced American history

5 **A Project** Study the contents of a radical, a conservative, and a liberal newspaper Study their headlines and editorials Do they conduct crusades against vice? Do they print sensational stories to gain circulation? Are they fair in presenting both sides of controversial issues? What proportion of news is devoted to local, state, and national issues? Do these papers reflect the opinions of different social classes, of their owners, or of their advertisers? How effective are these papers in molding public opinion in your community?

6 **Investigation.** Secure a copy of the pamphlet *How to Analyze Newspapers,* issued by the Institute for Propaganda Analysis, Inc, January, 1938 Take notes on the main points and give them to your class for discussion The monthly letters of the Institute may be secured at 132 Morningside Drive, New York City, for $2 00 per year

7 **Chart** Make a chart showing (a) the growth of the radio in the United States, *World Almanac,* 1941, 766, (b) new books, newspapers, and periodicals published, *World Almanac,* 1941, 556, and (c) motion picture statistics, *World Almanac,* 1941, 768

8 **A Special Paper** Write a paper on any one of the following topics (a) Rumors about public officials and candidates for office, (b) How public opinion may be aroused to incite mob violence, (c) How national hysteria can be created by fear, (d) Conscientious objectors in wartime, (e) Influencing legislators by letters and telegrams

9 **A Committee.** Let a small committee examine newspapers to secure

the results of polls conducted by the American Institute of Public Opinion on vital current issues Take several polls in your school on the same issues and compare the results See also *Those Public Opinion Polls, Reader's Digest,* February, 1939

WE READ FROM OTHER BOOKS

10 **General Readings.** R Gavian, A Gray, and E Groves, *Our Changing Social Order,* (1939 ed) chap xxiii, J Kinneman, R Browne, and R Ellwood, *The American Citizen,* chaps xix-xx, P Odegard, *The American Public Mind,* S Patterson, A Little, and H Burch, *Problems in American Democracy,* chap xxxii, *Building America,* III, No 1, "The News", *An American Answer to Intolerance,* Council Against Intolerance in America Pamphlet, New York City, 1939, *Monthly Letters,* of the Institute for Propaganda Analysis, Inc , New York City

11 **Newspapers** See Silas Bent, *Ballyhoo,* chaps i, v, vi-vii, Wilbur Forest, *Behind the Front Page,* Alfred M Lee, *The Daily Newspaper in America,* Peter Odegard, *The American Public Mind,* chap v, Oswald G Villard, *Some Newspapers,* Edgar Dale, *How to Read a Newspaper*

12 **The Radio and Motion Pictures** William Albig, *Public Opinion,* chap xix and 334-61, F Lumley and B Bode, *Ourselves and the World,* 323-31, P Odegard, *The American Public Mind,* chap vii

13 **Biographies** Edward Bok, *The Americanization of Edward Bok,* O Carlson, *Lord of San Simeon,* G Gardner, *Lusty Scripps,* Frederick Lundberg, *Imperial Hearst,* C Oliver, *Brisbane, A Candid Biography,* C J Rosebault, *When Dana Was the Sun,* D C Seitz, *Horace Greeley,* D C Seitz, *Joseph Pulitzer,* Lincoln Steffens, *Autobiography,* C Van Doren, *Benjamin Franklin*

14 **Popular Readings.** Walter Duranty, *I Write As I Please,* Eugene Lyons (ed), *We Cover The World,* Charles Merz, *The Great American Band wagon,* Webb Miller, *I Found No Peace,* George Seldes, *You Can't Print That,* George Seldes, *Freedom of the Press,* Vincent Sheean, *Not Peace But a Sword,* Upton Sinclair, *The Brass Check,* Oswald Garrison Villard, *Fighting Years*

CHAPTER 27

THE PRESSURE OF PROPAGANDA CALLS FOR CLEAR THINKING ON THE PART OF THE CITIZEN

★★★

Any attempt to influence public opinion is propaganda. Whether it is good or bad depends on the aim of the propagandist. Democracy's devotion to free speech and a free press forbids the muzzling of opinions on any subject until a decision has been reached in a constitutional way.

★★★

How Are We Influenced by Propaganda?

What Is Propaganda? Propaganda plays an important role in our lives. It helps us determine what brand of food to eat, what kind of a car to drive, and how to vote. The Institute for Propaganda Analysis has defined the term thus: "As generally understood, propaganda is an expression of opinion or action by individuals or groups, deliberately designed to influence opinions or actions of other individuals or groups with reference to pre-determined ends."[1] The motive which the propagandist wishes to accomplish is important. Those who believe in democracy would say that any propaganda is good if it seeks to preserve our institutions and traditions. We believe that propaganda which seeks to destroy democracy is bad. Most of us would agree that any propaganda which tries to eliminate slums, to combat syphilis and infantile paralysis, or to build CCC camps, is beneficial to the general welfare. Propaganda varies, depending upon the intensity of the conflict. You can see how propaganda is used in the conflict between labor and capital, by opponents in a political campaign, and by patriotic societies. The goal of all propaganda is to convert a majority to any single idea.

In totalitarian countries propaganda is a tool used only to serve those who are in power. The press is regimented, the radio is state controlled, and even the schools have become propaganda agencies to condition the minds of the young. The Nazi government of Germany has created a ministry of Propaganda and Public Enlightenment

[1] "How to Detect and Analyze Propaganda," by Clyde R. Miller, p. 13, Town Hall Pamphlet (1939).

which regulates all cultural activities Its purpose is to mold and control public opinion Dictators also have official newspapers through which they speak [1] Since these governments have a monopoly on all propaganda, minority groups can appeal to no one All opposition is silenced Everyone is forced to adhere to one program

Farm Security Administration, photo by Vachon

The word propaganda has acquired a bad reputation However, propaganda is good or bad depending on what it advocates Here is propaganda for democracy

Propaganda may be one-sided in a democracy, too Those who have ample funds may buy "radio time," or insert costly advertisements in newspapers However, in a democracy we have the privilege of accepting or rejecting any program Whatever you accept as true may be influenced by your economic status or social position Your father may be a manufacturer, or a laborer, you may live in the North, or in the South, your home may be in the slums or in an exclusive neighborhood all these are factors which influence your point of view We respond to propaganda which favors our beliefs and prejudices The good citizen tries to overcome these prejudices His first step should be to ask, "Who is the propagandist, for whom does he work, and what are his motives?"

[1] Mussolini's official paper is called *Il Popolo D'Italia* (The People of Italy), Hitler's is called the *Volkischer Beobachter* (The People's Observer), *Der Angriff* (The Attack) expresses the views of the German Minister of Propaganda Russia has two official papers, *Isvestia* (News) and *Pravda* (Truth)

The Publicity Agent and Public Relations Counsel The publicity agent is a relatively new character in this exciting drama of propaganda He is employed by persons and organizations who are dependent upon public confidence for their success His job is to present his client favorably to the public Newspaper men, because of their knowledge of the press and public relations, are often employed as publicity agents For example, when certain business practices of the Standard Oil Company were made public, the elder Rockefeller was lampooned by cartoonists and editors He became the "big bad wolf" of the industrialists Mr Rockefeller employed a publicity director to study the reactions of the public The company was persuaded to change certain policies and shape its affairs to meet with public approval Rockefeller began to make large gifts to education, science, and charity. Public sentiment, which had been hostile, changed overnight When Mr Rockefeller died he was heralded as one of America's greatest public benefactors

Publicity agents are also employed by artists, such as actors, motion picture stars, and concert singers Engagements, elopements, and marriages can become of public interest Publicity stunts, too, often make front page news A mediocre actress can become a glamorous star with the proper publicity The publicity agent will furnish free to newspapers and magazines copies of photographs, carefully edited incidents, and personal stories of the private life of his client The motion picture industry employs Will H Hays, who, although a censor, has the effect of a publicity agent much of the time

Public relations counsels are employed by banks, manufacturing concerns, utility corporations, railroads, hotels, and universities It is his job to keep the officers of his company from making mistakes which might antagonize the public He sometimes performs a valuable public service by interpreting news since the average reporter may not be equipped to write up the technical details of a medical convention or the proceedings of a scientific society The counsel also arranges for luncheons, dinners, and conferences Prominent citizens are invited to attend and speak All this is carefully publicized in "canned news" such as pictures, feature stories, and editorials When a commercial organization seeks publicity it is called "space-grabbing" The press releases of public officials and political parties are called "hand-outs"

Such respectable organizations as the Red Cross, The American Medical Association, The League of Nations, and others also seek publicity

The nature of this publicity is that of concealed propaganda It is free advertising, but it is also free to the newspaper which publishes it The publisher is saved the expense of interviewing speakers and gathering news The public may be misled when such items appear as legitimate news

The Lobbyist. A lobbyist acts as the representative of organized groups In a literal sense, to lobby means to solicit members of a legislative body in the lobby of a hotel, in a legislative corridor, or elsewhere with the intent to influence their votes There may be some actual cases of bribery, but most lobbying is not accomplished that way The lobbyist may give legislators "tips" on the market, or try to secure political favors for them Relatives of legislators are sometimes given official positions with large corporations Lobbyists have at their disposal large expense accounts with which to entertain legislators By these methods they are very often able to influence the policies of the government

The lobbyist may be a lawyer, a former Congressman, a former cabinet officer, or other former government official. The lobbyist knows the key men in public life, he knows where to meet the right people, and how to make valuable contacts Ex-Congressmen are especially valuable as lobbyists as they are afforded the privilege of speaking on the floor of Congress It is estimated that there are between 500 and 1,000 lobbyists in Washington, and many more in our state capitals They represent bankers, farmers, industrialists, utilities, railroads, labor, and veterans Other groups, with more humanitarian motives, employ special agents to work for world peace, education, religion, or women's groups

How the Lobbyist Works. The lobbyist is not an elected official whose salary is paid for by the public He is paid by the minority groups who have axes to grind One lobbyist was supposed to have received $75,000 a year However, the majority receive less Ex-Senator Lenroot, of Wisconsin, was paid $10,000 to appear before a congressional committee to argue against a resolution which provided for an investigation of the power trust A flagrant case of lobbying has been attributed to William Shearer, whose activities were disclosed when he sued three American shipbuilding corporations for $257,000 for representing the shipbuilding interests at the Geneva Disarmament Conference, which, he said, collapsed because of his influence

President Wilson in 1913 called attention to the extensive lobbying on behalf of the interests seeking tariff protection A congressional committee investigated and found that the National Council for In-

dustrial Defense had spent $1,500,000 in six years to promote legislation and to influence public opinion.

How We Can Control the Lobbyist. Most of the legislation introduced into Congress and the state legislatures is first considered by committees. These committees hold open hearings where private citizens and the representatives of minorities have the privilege of expressing their views freely. The committee can thus gain much valuable information if all sides of a case are presented. When committee meetings are closed all influence should cease. Many times, however, this is when lobbying begins. When openly conducted, lobbying fulfills the useful purpose of presenting the views of different groups and is part of the right of petition. In fairness to all the people, however, it should be controlled and could be controlled, in a large measure, if the following requirements were written into the laws: (1) Lobbying should be defined to include all who wish to influence legislation. (2) There should be a sworn statement of income and expenditure. (3) The name of the agent's employer and the objectives which he is trying to gain should be made public. (4) Some authorized agent of the government should carefully examine the report. (5) The privilege of the floor should be denied to ex-Congressmen as lobbyists. (6) All literature should be properly labeled, and finally, a penalty imposed on those who violate these regulations. A number of states have attempted to control the activities of lobbyists. The most notable of these are Ohio, New York, Pennsylvania, Massachusetts, and California. Congress has taken no action to curb their activities.

Pressure Groups

How Pressure Groups Work. 1. *What Is a Pressure Group?* A group of people interested enough in an idea to give it active support form a pressure group. Minority groups recognize the value of organizations which can bring pressure to bear on legislation. For example, the Webb-Kenyon Act, the Volstead Law and the Eighteenth Amendment were all written because of the activities of the Anti-Saloon League. This organization spent $2,500,000 annually from 1915 to 1917 on propaganda against the liquor traffic. On the other side of the liquor question were such organizations as the United States Brewers' Association, which at one time collected over four million dollars for propaganda purposes.

Whenever tariff revision is considered by Congress, lobbyists come to Washington by the score. The Sugar Trust once spent $75,000 fighting a Cuban Reciprocity treaty. In 1934 when Congressional hearings

were held on Reciprocal Trade Agreements before the Senate Finance Committee, such groups as the National Automobile Chamber of Commerce, the American Manufacturers' Export Association, and the National Council of American Importers worked in behalf of the bill Over 50 organizations either opposed the bill or were against foreign competition on certain products

Those laws which granted the soldiers a bonus were the handiwork of the American Legion Its influence as an organized group has been so great that few Congressmen dared to defy it if they wished to be re-elected

2. *Pressure Group Activities* Pressure groups organize smaller cell groups and individuals into one large group For instance, the United States Chamber of Commerce represents 850,000 corporations, and the American Farm Bureau 1,500,000 families These groups and others like them attempt to educate the public by distributing literature They send large delegations to the various capitals to meet legislators face to face They make contributions to campaign funds Joseph Grundy, president of the Pennsylvania Manufacturers' Association, raised $600,000 for the Republican party in 1924, and between $700,000 and $1,000,000 in 1928 The United Mine Workers also made a major contribution to the Democratic party in 1932

Publicity is a familiar technique used for propaganda purposes Other methods are mass demonstrations and education, through the schools and colleges and universities Ministers will preach and teachers will teach about those causes which they hold as ideals Pressure may consist, too, of notifying the "folks back home," for these organizations manage to know a great deal about the private lives of legislators, especially their weaknesses and mistakes

Pressure groups also resort to log-rolling One group may not be interested in workingmen's compensation, but will support it in return for a vote on a tax program Other groups employ expert accountants to examine state finances to prove that no new taxes are needed Newspaper stories are clipped and sent to legislators with other printed or mimeographed matter to influence their votes Personal pressure is exerted by controlling the support of local county chairmen and political leaders If the party decides to vote for an issue, the leaders "crack the party whip" or withhold political patronage from those who do not fall in line

Trade Institutes and Foundations. Large industries have organized institutes and foundations to further their interests An unsuspecting public will think of institutes and foundations as organizations set up

solely for the public interest They will associate these organizations with the Brookings Institution, the Carnegie or the Rockefeller Foundations Quite likely, however, when institutes and foundations are created by commercial interests they are for propaganda purposes Thus, we have such organizations as the Edison Electric Institute, the Radio Institute of Audible Arts, the American Economic Foundation, the Iron and Steel Institute and the Baking Institute These organizations select men well known in public life to serve on a board of directors The prestige of their names lend valuable publicity to the organization's endeavors The motives of these organizations are generally announced as being for the public welfare One of the cardinal aims of the Temperature Research Foundation is "to disseminate impartial, scientific information concerning the latest developments in temperature control as they affect the health, leisure, happiness and economy of the American people" Incidentally it is interested in increasing the sale of electric stoves, refrigerators, and air-conditioning furnaces Quite frequently private groups will also organize under such catch titles as Citizens' Committees, Economy Leagues, Tax Leagues, or Organizations for the Reduction of Public Expenses.

The Propaganda of Organized Groups 1 *Professional Organizations* One of the most influential of the professional groups in the United States is the National Education Association, which is composed of teachers and school administrators The association has about 1,125,000 members It has worked to further certain educational policies and has been opposed to others It has supported federal aid for public schools, a Federal Child Labor Law, and academic freedom It has consistently opposed a federal department of education It employs such techniques as distributing thousands of pamphlets, personal letters, and sending delegations to appear at public hearings

The American Medical Association has about 160,000 members It receives some publicity through its *Journal* and *Hygeia*, a health magazine for popular reading It keeps in touch with federal and state legislative activities For many years it has opposed anti-vivisection bills In 1906, it actively supported the Pure Food and Drugs Act It has worked for a department of public health in the national government and an extension of hospital facilities for war veterans It has opposed laws for compulsory sickness insurance

2 *Public Utilities* One of the groups most active in distributing organized propaganda has been the public utilities[1] In an investiga-

[1] "During the period when the Public Utility Holding Company Bill was pending in Congress, public utility groups were responsible for the sending of some 200,000 telegrams

tion conducted by the Federal Trade Commission, it was discovered that the National Electric Light Association spent over 30 million dollars combating public ownership of utilities. The Insull utilities of Chicago distributed millions of pieces of literature against public ownership and conducted a news service which went to over 900 newspapers in the state of Illinois.

The National Electric Light Association divided the country into 12 zones for publicity purposes. This organization sought to influence editors, textbook writers, college professors, churches, farm and labor groups, and civic organizations. This propaganda campaign is perhaps the most extensive ever carried out by a private organization.

3. *Chamber of Commerce.* The Chambers of Commerce in the United States represent the commercial interests which support legislation beneficial to business. Local Chambers of Commerce are found in many of our towns and cities. These local groups are affiliated with state and national organizations. As a national organization it raises a powerful voice in legislative circles. It was largely responsible for the enactment of the Federal Reserve Act, the Transportation Act of 1920, and the Budget Law. It has fought child labor legislation and government competition in business. The Chamber has consistently resisted the New Deal measures of the Roosevelt administration. It stands for the restoration of the Gold Standard. It is opposed to compulsory unemployment benefits, the 30-hour week and the federal relief program. It works to prevent increases in taxes, and favors above all, a balanced federal budget.

4. *Farm Organizations.* The farmers are organized into three well-known groups—the Grange, the Farmers' Union and the Farm Bureau. The Farmers' Union is the weakest of these groups, with about 150,000 members. The Grange has 600,000 to 800,000 members and the Farm Bureau claims a membership of 3,600,000. The Farmers' Union operates chiefly west of the Mississippi River. All these groups publish influential farm papers and magazines. They have tried to develop co-operative societies to market grain, wool, and hay, and to buy coal and machinery. They have sought to eliminate the specu-

---

to Congressmen and Senators. The Western Union Manager in Washington testified to *having delivered over 87,000 such telegrams within a period of two months.* Three New York representatives received 15,000 each in a single day. Other testimony indicated that hundreds of telegrams were sent and paid for by public utility employees without the knowledge or consent of the actual signers. J. A. Fisher, Western Union manager at Warren, Pennsylvania, testified that 1300 telegrams had been sent from that town to one Congressman and that the signatures to the messages had been copied at random from *the city telephone directory. A total of* $700,000 was spent by the utilities in this campaign." (Peter Odegard, *American Politics*, New York: Harper & Brothers, 1938, p. 770.)

lation in farm products by curbing Cotton Exchanges and Boards of Trade They work for tariff rates which benefit the farmer and credit assistance for farm enterprises

The most articulate of these groups has been the Farm Bureau It has fought for legislation which will help to dispose of surplus farm commodities The Bureau has fostered the work of county agents, boys' and girls' clubs, extension workers, and home bureau agents It has consistently promoted the control of agricultural production to keep prices of farm commodities at a higher level

The farm groups were responsible for the McNary-Haugen Bill, which was vetoed twice by President Coolidge They practically wrote the Agricultural Adjustment Act which was declared unconstitutional by the Supreme Court Through the farm bloc in Congress, the Bureau has secured liberal credit for farmers It has also helped to achieve moratoriums on the foreclosure of farm mortgages

5 *Labor* The American Federation of Labor is composed of over 32,000 local unions At one time, it had a membership of over 4,000,000 workers The federation is made up of skilled craftsmen—carpenters, masons, painters, plasterers, teachers, musicians, and others The policies of the Federation, since the time of its great leader, Samuel Gompers, have usually been conservative It was opposed for a long time to political action and has fought shy of socialism Only once has the Federation actively supported a particular political party, though it has been influential in the primaries and local elections

The Congress of Industrial Organizations grew out of the United Mine Workers of America under the leadership of John L Lewis It was organized in 1935 and claims a net membership of 3,787,000 skilled, semi-skilled, and unskilled workers It has lobbied for a National Labor Relations Board, maximum hours, minimum wages, collective bargaining, and social security It is considered more radical in its policies than the American Federation of Labor The C I O has wielded tremendous influence with our state and national legislative bodies

6 *Racial Organizations* One of our strongest racial groups is the National Association for the Advancement of Colored People This group has had some outstanding leaders in such men as W E B DuBois, James Welden Johnson, and Walter White The N A A C P has worked to secure equal political and civil rights for the Negro It seeks to rid the nation of Negro peonage in the South It works for

equality of professional and educational opportunities for colored people It strongly opposes discrimination against Negroes in hotels, restaurants, and trains. It has spent 62 million dollars in its campaign against lynching As a pressure group the N A A C P was successful in defeating the confirmation of John J Parker of North Carolina to the Supreme Court of the United States, because of his allegedly hostile attitude toward Negro suffrage The organization edits a magazine called *The Crises* Its purpose as a group is to gain the sympathy of whites and to make the Negro proud of his race

7 *Women's Clubs* The General Federation of Women's Clubs is composed of many local, state, and territorial groups. Some of the more influential of its affiliates are the National League of Women Voters, and the American Association of University Women The lobbying influence of the Federation is a recognized factor in many activities It has created public opinion for consumer legislation, the censorship of books and moving pictures It has worked for conservation, civil service reform, Americanization, prohibition reform, education, and international co-operation for peace. Women have also campaigned for the city-manager plan of government in some of our large cities They have campaigned for ballot and election reforms Women's organizations employ trained executive secretaries who sometimes use pressure techniques upon legislators The National League of Women Voters has worked for child welfare and social hygiene, and for the protection of women's legal rights The Women's and Children's Bureaus of the Department of Labor have been strengthened through the activities of women's clubs

Propaganda and War

Why Propaganda Is a Powerful Weapon During War. Belligerent nations have learned that propaganda in time of war is a weapon as powerful and as effective as guns and soldiers Propaganda is used to build up the morale of the people at home, to encourage soldiers at the front, and to crack the resistance of the enemy behind the lines [1]

News coming from warring nations is censored Only such information is given to the world as is considered favorable to the nation

[1] The term "Fifth Column," for instance, designates subversive activities It was invented in the recent Spanish war During the siege of Madrid, the attacking commander stated that the city was being attacked by four columns from without and by a fifth column from within The term refers to enemy sympathizers already living within a country Fifth Columnists also filter into a country in times of peace as students, tourists, workmen, refugees, or in any other guise which is not particularly alarming The Nazis had a Fifth Column in Norway in the form of a legal Nazi party It is said the German forces successfully used these tactics in Denmark, Holland, Belgium, and France

which releases it That is why it has been said, "When war comes in the door, truth goes out the window" In fact, propaganda may be wholly untrue, propaganda may be invented, it may seek to persuade by presenting only a one-sided picture, favorable to its cause When used in this latter sense, propaganda represents half-truths

When the First World War broke out in 1914, the sympathies of most Americans were with the Allied countries We were friendly to France because she was a democracy She had given us aid during the American Revolution We favored England partly because of our common language, culture, and traditions Furthermore, the actions of the Germans influenced our opinions As aggressors, they violated the neutrality of the Belgians They introduced submarine warfare, air raids, and poisonous gas They destroyed the beautiful cathedral at Rheims The aim of the German autocrats, we were told, was to seek world domination This would mean the destruction of democracy, which we held sacred

Most of the war news which we received passed through the British censors It was impossible to secure an unbiased version which accurately stated the position of all belligerents For instance, peace-loving peoples were shocked when the Germans shot Edith Cavell, a nurse, who was secretly aiding Belgian soldiers Censorship was successful in withholding the news that the French had executed two women for doing the same thing for German soldiers in France

After we entered the "War to End All Wars," we believed with our President, Woodrow Wilson, that this was a struggle to "Make the World Safe for Democracy" The President organized the Committee on Public Information, under the leadership of George Creel, who controlled news in the United States until the war was won The minds of our people were conditioned to accept the war Patriotic co-operation was the order of the day We submitted to a draft law which created an armed expeditionary force to fight in Europe We accepted a restriction on our civil liberties, through the Espionage Act Every bond issue authorized by the government was over-subscribed We accepted rationing to conserve the nation's food supplies The resources of our people were unified for a gigantic struggle. The mind of the nation was forged into one common will—the will to win

The end of the war quickly brought reaction and disillusionment to the public mind The proponents of isolation went to work to convince us that, though we had fought the war, we had nothing to do with the peace We rejected the League of Nations We pressed for

repayment of war debts and, at the same time, raised our tariff so high as to make payment almost impossible. Propaganda for war was debunked by novelists and playwrights in such works as Ernest Hemingway's *Farewell to Arms*, Erich Remarque's *All Quiet on the Western Front* and *The Road Back*, Robert C. Sherriff's *Journey's End*, and the *Photographic History of the First World War* by Lawrence Stallings. The United States Senate munitions investigation was inspired by an exposé of munition-makers, *Arms and the Men*, by the editors of the *Fortune*, and by Walter Millis' *Road to War*. Public opinion supported the Neutrality Act, in which we gave up the traditional "freedom of the seas" for which we had always before been willing to fight.

Here was a complete cycle of public opinion, accompanied every step of the way by interested propaganda. When were we right? Was it when we entered the war in 1917 or when we rejected the League of Nations in 1920?

Search for Facts to Cut Through Propaganda. We believe that we are now a much wiser nation in the art of detecting crude propaganda than we were in 1914. We realize that human nature is governed, to a large extent, by emotions. No civilized person can avoid becoming emotional after reading the revolting stories coming from the dictator countries. Americans thoroughly disapprove of totalitarian governments. We dislike the persecution of the Jews, and attacks on organized religion. We disapprove of the crushing of all civil liberties, the killing, or putting into concentration camps of political opponents. We resent the sneering jibes made at the democracies. Acts of tyranny outrage our sense of right and justice.

Now the world is in flames and we have important decisions to make. In making these decisions we must ask whether our emotional responses are supported by the facts in the case. Facts have a way of coming through all the confusion of propaganda. Just because the facts may be difficult to find, the citizen is not justified in assuming the cynical attitude that "nothing matters." Freedom, justice, the future of America do matter tremendously. Is the liberty of the United States threatened? This is the first issue to decide and it must be decided on the basis of facts. If it is, what are we going to do about it? A nation that cannot protect its liberty in the modern world will not have it very long. A people who sit around arguing about propaganda when facts are present and action is needed will have all their questions answered from an authoritarian source. As Pericles said long ago, "The secret of liberty is courage."

UNIT SUMMARY

Democracy is not an inevitable evolution of government. It has only grown and developed where men and women have had faith in its values, and have been willing to fight for them. Even in our country its progress has been slow and painful. It is by no means perfect, and may never be. But it is constantly changing and the direction of the change is up to the citizens of each generation.

We believe in democracy because we believe in its aims and because it works well. The aims of freedom and justice are constant. The challenge of democracy is to push forward practical progress toward those aims. This Unit has emphasized two fundamental areas in which citizens must work for the improvement of democracy.

First, our governments must operate as efficiently as is possible. This may be partly accomplished by continued investigation and reorganization of governmental units. In this reorganization we should remember that the test to apply is whether the office or bureau contributes to the working of democracy. It must not be an end in itself. Perhaps even more important than the machinery of government is its personnel. If we insist on efficiency in government, we must provide for workers who can supply this quality. The spoils system should be replaced by the merit system.

Second, our citizens must be intelligently informed and courageous in judgment. Every society educates its rulers. As long as the will of the people rules the United States, all must have the opportunity for education. This applies not only to schools, but to the chances for adult information. Public opinion is sure to arise on all important issues. The information on which this opinion will rest must come through free speech, free radio, and a free press. For his part, the citizen must be aware of the pressures upon him. He must think, analyze, compare. When he has done this he must reach a decision based on the facts and their meaning to democratic principles and the welfare of his country.

It may seem hard to believe, but Americans in our time have as much to contribute to democracy as did Locke, Adams, Jefferson, or Jackson.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest propaganda, pressure groups, publicity agent, public relations counsel, space-grabbing, hand-outs, lobbyist, trade institutes, public utilities, munition makers, fifth column, hysteria, ministry of information, Committee on Public Information

INFORMATION, PLEASE!

2 **a** Explain how the nature of propaganda is determined by the motives of the propagandist, and give examples of its use in different countries. **b** Give examples of propaganda controlled by the publicity agent and the public relations counsel **c** Explain what is meant by a lobbyist, and show how he carries on his activities **d.** What measures are advocated to control the lobbyist? **e** Show how pressure groups work and give examples of their activities **f.** How do trade institutes and foundations function? **g** Give examples showing how highly organized groups use propaganda methods to promote their own welfare **h.** Explain the use of propaganda as a powerful weapon during wartime

CAN YOU THINK?

3 **a.** "Propaganda plays an important role in modern society because it touches every aspect of our lives" Do you agree? **b.** Study the following statements and determine which one is true (1) "Propaganda is a state of mind and can be good or bad" (2) "Propaganda offers ready-made opinions for the unthinking herd" **c** Does advertising appeal to the emotions, the intellect, or to both? **d** Those in our society who have the most money can secure the best facilities with which to carry on their propaganda Is this statement true or false? Why? **e** How can subtle propaganda be used to create intolerance? **f** Does a knowledge of the ways of propaganda relieve the citizen of the responsibility of making up his mind?

WE LEARN BY DOING

4 **A Special Paper** Give examples of propaganda which appeals to the emotions, or to reason, or to both as found in (a) newsreels, (b) advertising, (c) the radio, (d) newspapers, (e) magazines, (f) books, (g) billboards, (h) political oratory

5 **Chart.** Make a chart of women's organizations which use political pressure in the interest of social service and community welfare See *Pressure Groups and Propaganda,* Annals of the American Academy of Political and Social Science, May 1935, 50-58

6 **Interview by Mail.** Write to your Secretary of State to inquire if lobbyists are required by law to register with a responsible state official Try to secure a copy of the law covering these activities Also secure a list of the individuals and groups registered as lobbyists Why are laws prohibiting lobbying hard to enforce?

7 **Committee.** Every state has within its borders some highly organized groups which represent such interests as business, labor, farmers, education, the professions, religion, patriotism, and so on Let a small committee investigate one of these groups Write to their leaders for literature Interview their representatives What are their aims? How do they raise and spend money? Do they take part in politics? Do they have programs for social reform?

8 **Project** Make a collection of propaganda literature, enlisting the aid of all class members Read certain sections of each to stimulate class discussion on propaganda

WE READ FROM OTHER BOOKS

9 **General Readings.** William Albig, *Public Opinion*, W B Graves, *Readings in Public Opinion*, J Kinneman, R Browne, and R Ellwood, *The American Citizen*, chaps xix-xx, F E Lumley, *The Propaganda Menace*, Peter Odegard, *The American Public Mind*, Peter Odegard, *Pressure Politics, The Fine Art of Propaganda*, Institute for Propaganda Analysis Pamphlet, 1939, *Propaganda, How to Recognize It and Deal With It*, Institute for Propaganda Analysis Pamphlet, 1938

10 **Propaganda in Wartime** Consult G Creel, *How We Advertised America*, H K Lasswell, *Propaganda Technique in the World War*, H Lavine and J Wecksler, *War Propaganda and the United States*, F E Lumley, *The Propaganda Menace*, chap ix

11 **Propaganda and Education.** Consult F E Lumley, *The Propaganda Menace*, chap xii, P Odegard, *The American Public Mind*, chap iv, B L Pierce, *Public Opinion and the Teaching of History in the United States*

12 **Popular Readings.** Will Irwin, *Propaganda and the News*, Kenneth Crawford, *The Pressure Boys*

UNIT IX

THE IDEAL OF DEMOCRACY REQUIRES THAT THE LAWS MADE WITH THE CONSENT OF THE PEOPLE BE OBEYED BY THE PEOPLE

****

28 CRIME IS A MENACE TO THE RULE OF LAW THAT CHARACTERIZES A DEMOCRACY

29. THE PROTECTION OF SOCIETY CALLS FOR EFFICIENT LAW-ENFORCEMENT

CHAPTER 28

CRIME IS A MENACE TO THE RULE OF LAW THAT CHARACTERIZES A DEMOCRACY

****

Democracy attempts to achieve a "rule of law, not of men," in which the rights deemed natural to man have been set up as legal rights. With the consent of the people, certain acts have been outlawed as being harmful to the interests of society. One challenge to democracy is to prevent those who have no care for the interests of society from gaining their selfish ends by acts that threaten the public good.

****

Crime in the United States

Criminal Offenses Against Society. A crime is an offense against society which carries with it a penalty because it is a violation of the law. Crimes are committed against persons, or against personal or public property. Acts against the welfare of society, acts which prevent law enforcement, and treason against the state are also criminal.

Crimes are either felonies or misdemeanors. Felonies are more serious offenses. For instance, first degree murder means to kill with malice and intent, while manslaughter means killing through negligence. Robbery is taking anything of value from a person by force. Burglary is an unlawful entry into a house to commit theft. Larceny is stealing things valued at more than $50. If a man sets fire to his barn to collect insurance, the act is called arson. Misdemeanors are less serious offenses, such as assault and battery, drunkenness, or disorderly conduct. Each state classifies offenses committed within its borders, and applies penalties which may be death, imprisonment, or a fine.

There are, of course, many other crimes, which have been placed on federal[1] and state statute books. Some of these are bigamy, forgery, counterfeiting, bootlegging, kidnaping, auto theft, and bribery. The number of criminal laws increases as civilization becomes more complex.

Our Total Crime Record. According to statistics, we are the most crime-ridden nation in the world. The number of criminal homicides in 223 American cities in 1939 was 1,638. This was at a rate of 17 per

[1] For a more detailed account of federal offenses, write to the Federal Bureau of Investigation for a copy of their Quarterly Bulletin, *Uniform Crime Reports*.

Town Constable, Texas

Farm Security Administration, photo by Lee

thousand people. The Federal Bureau of Investigation estimates that in 1939 there were 12,000 criminal homicides in the United States. The Metropolitan area of London had only 21 murders in 1933, which is a constant average for that city over a 25-year period. English justice is so certain that 11 of the murderers committed suicide, 6 were convicted, 3 were declared insane, and 1 was acquitted.

The number of murders committed in our large cities indicates that there is disregard for the law, inefficient law enforcement, and very little respect for justice as administered by our courts.

NUMBER OF MURDERS KNOWN TO THE POLICE
JANUARY TO DECEMBER, INCLUSIVE, 1937

City	Murders	City	Murders
New York, N. Y.	331	New Orleans, La.	78
Chicago, Ill.	266	Houston, Texas	76
Atlanta, Ga.	115	Detroit, Mich.	74
Philadelphia, Pa.	112	Cleveland, Ohio	74
Dallas, Texas	82	Baltimore, Md.	67
Los Angeles, Cal.	81	Washington, D. C.	65
Birmingham, Ala.	79	St. Louis, Mo.	59

In many of these cases the culprits were never caught. In others the suspect was dismissed at the preliminary hearing, or the case was closed because of a lack of evidence. Many accused persons were acquitted by jury trials, some given suspended sentences, or placed on parole. Still others who were found guilty could otherwise thwart justice by continued legal delays or appeals to higher courts.

In 1934 there were 1,500,000 criminal cases tried in our courts. Our prison population increases at an alarming rate each year. The following figures show this for over a quarter of a century.

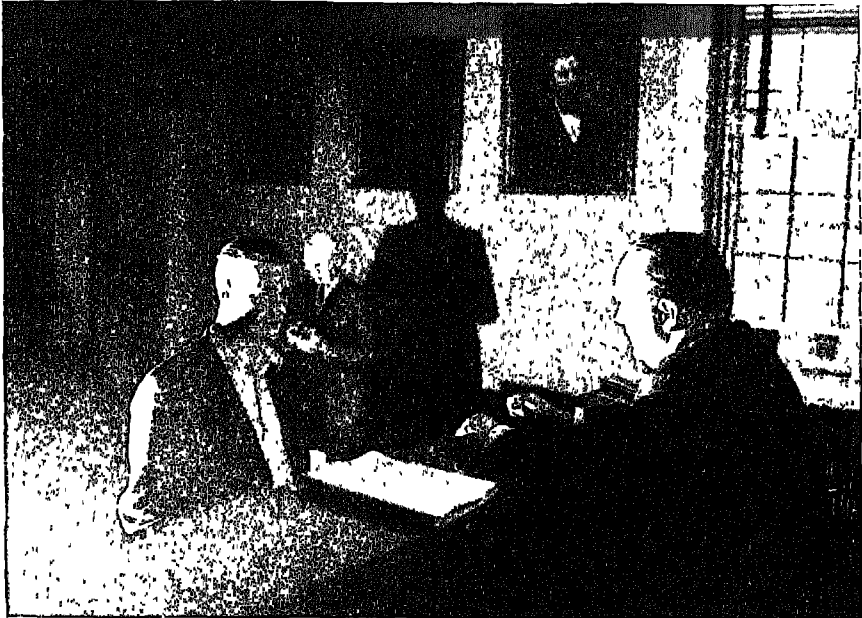
PRISONERS RECEIVED FROM COURTS

Year	Prisoners	Year	Prisoners
1910	29,710	1931	71,520
1923	38,628	1932	67,477
1926	48,108	1933	62,801
1927	51,936	1934	62,251
1928	55,746	1935	65,723
1930	66,013	1938	68,326

The Cost of Crime. It is difficult to determine accurately the cost of our crime bill to the nation. The direct cost involves the loss of property such as jewels, furs, clothing, and automobiles. There are also administrative costs for police protection, detection, and apprehension, court costs and prosecution fees, and the upkeep of jails, reformatories, and prisons.

Some authorities have estimated our crime bill to run from 5 to 13

billion dollars If the smaller figure could be accepted, it would be twice the annual cost of education in the United States

Crime among Minority Groups. 1 *The Negro* The Federal Bureau of Investigation in its *Uniform Crime Reports* shows that in 1937, of each 100,000 Negroes, 1,412 were arrested and fingerprinted, whereas the corresponding figure for whites was 517 The crimes of the Negro are generally of a less serious nature, being committed

Farm Security Administration, photo by Vachon

A man appearing before a judge in court The open court is a bulwark of our system of fair laws

more frequently against property than against persons The Negro's inferior economic status may be reflected in the crimes which he most frequently commits, such as burglary, larceny and robbery, and embezzlement It is sometimes claimed that the Negro is convicted more readily because of bias and prejudice against his race He is frequently unable to employ counsel for his defense Sometimes he is jailed because of his inability to pay a fine

It is interesting to note that among the graduates of Negro colleges such as Atlanta University, Fiske University, and others, very few have ever been imprisoned Negro leaders point to the fact that as education is provided for them the rate of crime among them is diminished.

2 *The Foreign-Born* Statistics do not bear out the common assump-

tion that most of our crimes are committed by the foreign-born. However, some of the more serious crimes show a higher rate of frequency among this group.

Immigrants are frequently handicapped by poverty, bad housing, overcrowded living conditions, and unemployment. They belong to the lower economic and social levels. Feelings of uncertainty and insecurity in a strange land may incite them to crime. Isolated in our cities in groups of their own kind they soon find themselves in conflict with the culture of the new world—a conflict of ideals, habits, customs, traditions, and standards of conduct.

The children of immigrants or the second generation have a high rate of delinquency. They feel the clash of ideals between the old world and the new. The rate of crime is higher for children whose parentage is of mixed nativity. The greatest difficulty arises once they have gotten out of their parents' control.

Organized Crime. 1. *Vice and Immorality.* Many illicit schemes are operated in our large cities to extract money from people. "Bookie" syndicates control race-track gambling. Illegal lottery tickets from Canada, Cuba, and Ireland are sold throughout the nation. The "pin-ball" games make millions for those who operate them. Many thousands of dollars in nickels and dimes are taken in by the operators of slot machines. Marijuana, a deadly narcotic, is being peddled, in the form of a cigarette called a "reefer." Houses of prostitution flourish when supported with political protection. In most cities these forms of vice are controlled by syndicates on a chain-store basis. Gambling and commercialized vice are conducted openly with little fear of prosecution where corrupt political officials line their pockets with high fees for protecting them. There is some evidence of widespread violation of the liquor laws, especially in its sale to minors. To break down these illegal operations successfully requires the continual vigilance of people who will not tolerate lawlessness.

2. *Racketeering.* A "racket" is any highly organized, illegal activity which attempts to levy tribute and to make easy money by means of threats and violence. Racketeers operate with the efficiency of big business and with a ruthlessness that brings results.

Racketeers began using "big time" methods during the era of prohibition. Illegal syndicates were formed in large cities for the control of bootlegging beer and liquor. The most notorious gangster in this business was Al Capone, who operated in Chicago. He served a long prison sentence at Alcatraz, for the violation of income tax returns.

Rivals who dared to compete with the Capone gang were "bumped off" or "taken for a ride"

During the period from 1920 to 1929 there were over 2,700 murders and manslaughters committed in Chicago, exclusive of homicides due to criminal negligence Over 100 assassinations occurred at one street intersection Ninety per cent of all these cases remain unsolved The climax of lawlessness was reached when seven men of a rival gang were killed in a garage with a machine gun in the "St Valentine's Day Massacre" of Chicago

Since the repeal of the prohibition amendment, racketeers have been intimidating legitimate business The business man is requested to join a certain "association" He is then forced to pay "protection" money One of these organizations levied tribute from restaurant men in downtown New York When they refused to join the association, their windows were smashed, their food doped, or their establishments stink-bombed It was healthier to obey orders

The sea-food industry in New York City was also monopolized and its workers forced to serve only favored concerns Loan-shark racketeers compelled borrowers to pay exorbitant rates of interest The small artichoke, a delicacy consumed chiefly by Italians, was cornered for one commission house and dealers were forced to buy from this firm Through the aid of Mayor LaGuardia this racket was destroyed

Many of the labor unions are controlled by crooked business agents The leaders of the electrical worker's union helped to monopolize the electrical contracting business, which cost the citizens of New York 10 million dollars annually Trucking unions stopped non-union truckers from delivering butter and eggs within the city of New York Farmers were forced to transfer their goods to union trucks Extra charges were added, all of which were paid by the consumer One union racketeer admitted on the witness stand that his income was nearly $4,000 a week or $200,000 a year Honest laboring men had little voice in the way their unions were operated

The Illinois Crime Commission has exposed many rackets in Chicago The district attorney in Chicago discovered rackets in the cleaning and dyeing industries, in the milk business, the building trades, carbonated beverages, paving, trucking, garbage removal, coal, food, and amusement fields

In many cases the victims are helpless To report to the police means reprisal and perhaps death It is much easier to pay tribute and remain unmolested

3 *Kidnaping* One of the worst types of crime has been the kid-

naping racket The victims are held for a large ransom Quite frequently they are murdered Since the enactment of the Lindbergh Law in 1932 there have been over 144 "snatches" committed within the United States Most of these have been solved by the agents of Federal Bureau of Investigation

There has been considerable demand for the passage of an anti-ransom law This would make it illegal for anyone to pay the money demanded Those in favor of this law cite the case of John S Labatt, a wealthy brewer of London, Ontario, who was captured in 1934 His abductors demanded $150,000 ransom All close friends and relatives of the victim were immediately kept under surveillance by the authorities, while the Canadian press announced that there was not the remotest chance of the ransom being paid Mr Labatt was safely released within 65 hours

The motive back of kidnaping is quick and easy money, revenge, or reprisal If the profit were taken out of this racket, it would quickly cease, for the victim would be a liability instead of an asset to the criminals

Demoralizing Political Influences In many cases it has been found that crime flourishes because of a tie-up between criminals and politicians The criminal has a purpose in making political alliances By knowing the "right people" he cuts down the risks in the business of law-breaking The ones who can grant favors are those officers who control the machinery of the law and in many cases political influence can be bought Sometimes the relation between crime and politics becomes so open that the decent elements of the community demand a house-cleaning The recent crime investigation made by Samuel Seabury in New York City is an example He discovered bribery and graft within the heart of the political system In one case, a police captain had deposited nearly $200,000 in a bank over a four-year period The scandal which Seabury uncovered rocked the nation and forced the resignation of New York's mayor More recently, Thomas Dewey, the district attorney of New York City, has shown what alliances exist between politicians and the criminal underworld Many of these racketeers and betrayers of public trust have been convicted and given long prison sentences

In Cleveland, Ohio, Elliot Ness, a vigorous young safety director, forced high police officials from the police service They were convicted of bribery, extortion, or failure to file income tax returns

Investigations often uncover political corruption in places where one would least suspect it It touches the police, the precinct commit-

teemen, the ward leader, the court bailiffs and clerks, magistrates, the professional bondsman, the crooked lawyer and doctor, and the dispensers of patronage Thus, political organizations, when controlled by men who have neither scruples nor ethics, help to fuse politics and crime into one system

Youth and Crime

The Extent of Crime Committed by Youth One of the gravest indictments of our social order is the criminal record of our young people This fact is revealed through information on crimes gathered by the Federal Bureau of Investigation and published in the *Uniform Crime Reports* Here are some of the figures for 1937

Of all the arrests made in the United States, 24 per cent were of youths from the ages of sixteen to twenty-four

Many of our most hardened criminals began their delinquent careers in early youth An unsatisfactory home life often leads to school truancy, from which it is but a step to vagrancy An incorrigible child generally begins with petty crimes He may steal to obtain those little luxuries which other children have The 1937 records of crimes committed by youthful offenders under twenty-five

years of age show that the majority are committed against property They are as follows

FOR PERSONS LESS THAN 25 YEARS OLD

Robbery	53 9%	Larceny	47 6%
Burglary	61 6%	Auto Theft	73 0%

The majority of the crimes committed by youth are not the most serious ones, such as murder or manslaughter Such crimes as liquor violations, the use of narcotics, prostitution, gambling, embezzlement, and forgery are in the minority But our young people seem to possess an ungovernable desire for the possession of automobiles The great majority of stolen cars are nevertheless recovered

Why Youth Becomes Delinquent.[1] 1 *Bad Home Influences* Much delinquency is caused when children lack those home influences which help to build desirable habits and attitudes In times past, strict control of children was considered the right and duty of parents Today, however, discipline and character training in the home seem to have become lax due to many disrupting factors

Conflicts within the home are bad influences in conditioning the early life of the child Some of these conflicts are caused by broken homes, by death, desertion, or divorce Every child needs the influence of a mother and a father When children are deprived of either, they often lack proper care or supervision

Delinquency on the part of the father or an older brother is a poor example for children. Drinking parents have been known to beat and mistreat their children In such cases children are deprived of the security that comes from understanding parents

2 *Lack of Challenging School Interest* The type of education provided in many of our schools fails to challenge or hold the interest of many children Where one child loves the school and its activities, another hates it Often no provision is made in school programs for individual differences in children The dull or retarded child is humiliated by repeated failures He may have little liking for academic subjects He may hate an unsympathetic teacher who criticizes him before classmates He may be too slow for others in his class He becomes a truant, which may be the beginning of delinquency

Instead of "making the school fit the child," students are made to fit the school A great opportunity is lost when we fail to fill the child's leisure with character-building activities in the school plant

[1] The delinquency committee of the White House Conference on Child Health and Protection estimates that about 200,000 different children yearly pass before the courts on delinquency charges

We need to give more attention to recreation and play in developing child life, thereby preventing much delinquency by creating wholesome interests.

3 *The Defective Child* Authorities now recognize that the mentally defective child is a "potential criminal" In some reformatories one out of every five children is mentally deficient Another large portion of these inmates are border-line cases. Most of them fail to distinguish between right and wrong Their behavior often is anti-social and criminal

The physically defective child is seriously handicapped in his struggle with normal children Children sometimes taunt those born with crossed eyes, a club foot, a hare lip, or a hunched back Sometimes a deformed child is given some nickname which is suggestive of his deformity Such children are doubly handicapped in their struggle to make themselves socially acceptable, or to make their living fairly and honestly To make up for their defects some resort to anti-social behavior which may lead to crime

The child who is emotionally unstable may become a delinquent His unstable emotions may be the result of faulty training in early childhood Unless his whims are satisfied he tries sulking, moodiness, deception, and loss of temper Later in life, the spoiled child may develop a distorted social outlook

4 *Gang Life in Cities* Most adolescent boys pass through the "gang age" In many cases this is harmless, acting only as an outlet for play, excitement, fun, rivalry, and games After passing through this age, most of them go to work and achieve some measure of success A few never get out of the gang age They never rise above the level of the habits learned in the street One boy, who has been reared in a slum area and has been an active member of this boyhood "gang," may become a successful man, while another reared in the same environment and a member of the same "gang" will become a criminal.

Some gangs are vicious and criminal They are composed of young "punks" between nineteen and twenty-one or even older The average boy runs with a gang because of the fear of ridicule if he quits The older boys' code of honor and standard of morality is passed on to the younger members

Gangs become a nuisance by breaking windows, upsetting fruit carts, climbing fences and roofs, or ridiculing "odd characters" They may establish hideouts in old barns, caves, or deserted buildings They learn to lie, to steal, they are introduced to obscenity Their activities include stealing junk, shoplifting, burglary, and petty larceny Many

of these youngsters become confirmed criminals with juvenile records before they reach maturity.

5. *Motion Pictures.* In 1929 it was reported that 28,000,000 young people under twenty-one years of age attended the movies weekly. Of these, 11,000,000 were under fourteen and 6,000,000 under seven years of age. Motion pictures are made to provide entertainment for relaxation. They often do more than that, they create a social outlook.

Some motion pictures have justly won widespread praise. Unfortunately others are of questionable value. Studies have been made to learn the effect of motion pictures upon the attitudes and emotional life of children. Many sensational pictures show murder, stealing, kidnaping, immoral relations, violence, and horror. Professor Blumer in his *Movies, Delinquency, and Crime* found that in one group of delinquents, 25 per cent indicated that the movies suggested to them that hold-ups would be an easy way to get money. Twenty per cent said that the movies had suggested other forms of crime. Furthermore, 49 per cent of a group of 110 criminals declared that the movies gave them the desire to carry a gun, and 28 per cent said that movies made them want to try a "stick-up." Many heads of penal and correctional institutions believe that as high as 18 per cent of juvenile delinquencies are induced by the movies.

The motion picture industry is guilty of producing some films which are destructive to the character of youth. Entertainment that portrays suggestive romantic scenes creates false conceptions of life standards. Pictures that appeal to glorify crime, that suggest ways to break the law, and give sanction to questionable morality undoubtedly lower moral standards and encourage delinquency.

Crime Prevention and Classification of Criminals

Crime Prevention Bureaus. One of the agencies which shows promise in the prevention of crime among youth is the Crime Prevention Bureau of New York City. This organization is operated by the police department. Its purpose is to build up friendly relations between the youth of the city and the law enforcement agencies. It is a protective rather than a repressive agency. The bureau is concerned primarily with

1. helping secure more adequate social treatment for individual delinquents and wayward minors,
2. finding and removing conditions in the community which foster crime,

3 building up constructive forces which aid in preventing crime,
4 developing a co-operative attitude on the part of youth toward the law and law-enforcing agencies,

This work is carried on in conjunction with various social agencies and the Bureau of Child Guidance of the Board of Education This Bureau makes use of family and children's agencies, recreational facilities, schools, churches, municipal agencies, courts and probation departments Conditions which contribute to juvenile delinquency are investigated and corrected if possible

The city of Cleveland has set up a Bureau of Safety Education, whose principal job is to organize recreational activities for the underprivileged boys in congested areas The agency began by organizing and supervising Boy Scout patrols and soft-ball teams Another activity which it sponsors is the Achievement Shares Company This is a stock company in which boy members own 50 per cent of the stock Officers are elected and business routine is carried on entirely by boys Each member gives a certain amount of his spare time to manufacturing small commodities and finding a market for them This venture has proved to be popular and successful

The Bureau discovered that there was need for a boy's camp A small one was opened near one of the city parks large enough for about 100 boys When it was opened over 2,000 boys appeared on the scene to take part in its recreational activities A new $125,000 boys' camp was finally built in the Metropolitan Park District, 14 miles from the city to take care of the many boys who wanted to use such a camp It has a permanent shelter house, athletic fields, a swimming pool movies, and a craft shop, where things which the boys make will be sold There are also places where the boys can go hiking and skating

In addition, the Bureau has organized the Junior Safety Police It attempts to secure the co-operation of parents in keeping young children away from movies during late hours The Bureau is continually on the alert to find new methods for developing good habits in children

The Juvenile Court. Juvenile courts are usually presided over by special judges In our large cities women referees handle girls' cases These juvenile cases are given no publicity There is no formal court procedure A thorough study of each delinquent's case has been made by psychiatrists and social workers What is the condition of the child's home life? Is there quarreling, drinking, poverty, or cruelty

there? What does the child's school record reveal? Where does he play, who are his associates? What circumstances led to his delinquency? The judge listens to the boy's story. Those who complain tell their grievances, too. The judge, who is familiar with most of the details, makes a decision. He talks as a friend and a wise counsellor. If the child is an orphan, the judge will find a home for him. He may send him to an industrial school or put him on probation.

Juvenile courts have been successful where the judge has had broad training in law, sociology, and child psychology. He must possess insight and a broad understanding of human nature. But a lack of understanding and a failure to temper justice has defeated the purpose of the court many times.

Classification of Criminals. 1. *The Single Offender.* The individual, or single offender, usually commits one crime, either through carelessness, ignorance, or in the hope that he will not be caught. For example, a man may take money from his employer, fully intending to repay it. He is caught and charged with embezzlement. Or, a person may accidentally run down and kill a pedestrian while speeding in his car to catch a train. He is charged with manslaughter because of negligence. Such individuals are not criminals in the true sense, because they are not anti-social. Nearly 40 per cent of our prison populations are made up of these offenders. They commit only one serious offense in their lifetime. In many instances these offenders are placed upon probation or given relatively short sentences.

2. *The Professional Criminal.* The professional criminal, who by choice becomes a permanent outlaw, presents a real problem to society. Nearly 50 per cent of the offenders committed to penal institutions in 1933 had previous records of criminal convictions. Probation and parole methods have apparently failed in these cases, for an increasing proportion of the crimes committed by the professional shows them to be repeaters.[1]

Most violators of the law know that once they have been convicted society will always regard them as criminals. They are ostracized by law-abiding groups. Being shunned by respectable citizens, they may be forced to find comfort in underworld criminal groups. Criminals share each other's secrets, they lend a sympathetic hand and give aid to one another in case of trouble. The underworld has a code of unwritten laws. Criminals shield one another from the clutches of the law, they retain lawyers, procure money for bail, they intimidate wit-

[1] The Baumes Law of New York State makes it mandatory for the courts to give a life sentence to those who have been convicted of four felonies.

nesses if necessary, or they bribe officials through political pull if possible. They ruthlessly exterminate a traitor to their group. He is a "rat," a "squealer," or a "stool-pigeon."

Every measure should be taken to segregate this group from the juvenile delinquent and the first offender.

The Need for Segregation of Prisoners. Apart from the juvenile delinquent, our prison populations are composed of persons representing every walk of life—professional people, artisans and craftsmen, vagrants, immigrants, alcoholics, the deformed, and those broken in health. In 1926, 20 per cent of the inmates of federal prisons had venereal disease. Tuberculosis is also common among convicts. Others are criminally insane. Another type of defective within our prison population is the feeble-minded person. Out of 600 adult prisoners examined at Sing Sing, nearly 30 per cent possessed an intelligence equivalent to twelve years or under. Out of 300 prostitutes selected from three institutions in Massachusetts, 51 per cent were found to be feeble-minded.

Too many of our states have no special facilities to segregate these cases, but continue to house all prisoners in one institution. Other states segregate prisoners carefully. New York State houses her tubercular prisoners in a separate institution. The federal government cares for the tubercular and insane in a prison hospital at Springfield, Missouri, while narcotic addicts are housed at Lexington, Kentucky, and Fort Worth, Texas. Any long-range, progressive prison program must consider this important problem of segregation.

Conclusion. Crime is one of the most destructive forces in our modern society. It is caused by some of the social evils that seem to be inherent in our present-day civilization. A great amount of crime is seen among the youth of the present. Some is due to the environment in which they live, and some is due to their inheritance.

In our society there has grown up a professional criminal who is similar to the outlaw of the past. He has developed new methods to prey upon society, most of them being known as "rackets."

We have fallen down in the development of our prison systems, because we have not advanced from the custodial prison designed merely to keep criminals out of society to the prison in which the criminal is fitted to make his way in the world of law and order. The evils of the first system, such as lack of segregation, breed crime rather than prevent it.

Our lack of interest in our political machinery and the people we elect to public office has also fostered crime. The low-type politician

has always been involved with some of the criminal activity of the nation, and it seems that this type of anti-social behavior is on the increase.

There are many ways in which the number of criminals can be reduced One is to raise the standard of ethics in public life Another is to perfect the system of detection and imprisonment The next chapter deals with this latter problem, showing the scientific advancement in this field

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest vagrancy, gangs, Crime Prevention Bureaus, juvenile court, felony, manslaughter, robbery, burglary, larceny, arson, misdemeanor, individual offender, Baumes Law, segregation, racketeer

INFORMATION, PLEASE!

2 a State the crime record of youth, and show how certain factors contribute to delinquency b Show how several large cities have attempted programs of crime prevention for youth c What advantages does a juvenile court have over a regular court in dealing with youthful offenders? d What are some of the most serious crimes committed against society? e. Compare our crime record with that of other countries f How are criminals classified, and which class is a dangerous menace to society? g. State the need for the segregation of criminals h. How serious are the crimes committed by minority groups? i Give examples of how organized criminals prey upon society j Show how crime and politics are often related

CAN YOU THINK?

3 a. 'Our reform schools are frequently training schools for criminals" Do you agree? Why? b. Would you favor a law which prohibited newspapers from commenting on criminal cases until after the verdict is rendered? Consider freedom of the press in making your answer c Are most criminals the victims of physical and mental handicaps, or people who have failed to adjust themselves socially? d "It is more important for a juvenile judge to have a broad training in psychology and sociology than in the law" Do you agree? Why? e. "There are only two types of criminals (1) those who should never be sent to prison, and (2) those who should always be kept in prison" Do you agree? Why?

WE LEARN BY DOING

4 **Research Activity.** Look up the "Lindbergh Law" on kidnaping Also report on major kidnaping cases in the United States since 1932. Consult *World Almanac*, 1941, 512 and 514 See, also, *Reader's Guide to Periodical Literature*

5 **Oral Report.** Read Jack Black, *A Burglar Looks at Laws and Codes, Harper's Magazine*, February, 1930 Report to class

6 **Investigation.** Bring to class accounts from daily newspapers showing where crime has been unduly sensationalized Look up newspaper reports of famous criminal trials such as those of Sacco and Vanzetti and of Bruno Hauptmann

7 **Graph.** Make a bar-graph showing the prison population of the United States by states See *World Almanac*, 1941, 512

8 **A Special Paper** Consult the *Reader's Guide to Periodical Literature* for magazine articles on gangsters and their methods Read several articles, if available, showing how extortion methods are used in commerce, industry, and trade

9 **Committee** Arrange for a small committee to visit a police prosecutor, or a district attorney Get his views on the causes of crime, on methods of punishment, and education as a means of crime prevention

WE READ FROM OTHER BOOKS

10 **General Readings** The following readings will give you a general idea of many major factors involved in this study Consult C Darrow, *Crime, Its Causes and Treatment*, M Elliott, F Merrill, and C Wright, *Our Dynamic Society*, chaps v-vii, C Ellwood, *Social Problems and Sociology*, chap iv, R Gavian, A Gray, and E Groves, *Our Changing Social Order* (1939 ed), chap x, F Tannenbaum, *Crime and the Community*, *What Makes Crime*, Public Affairs Pamphlet, No 34, *Crime*, American Primer Pamphlet, University of Chicago Press, L E Lawes, *Stone and Steel* (The Way of Life Series, Pamphlet)

11 **Juvenile Delinquency** Consult S Glueck and E Glueck, *One Thousand Juvenile Delinquents*, J Slawson, *The Delinquent Boy*, F M Thrasher, *The Gang*, *Facts About Juvenile Delinquency*, Bureau Publication No 215, Superintendent of Documents, M Van Waters, *Youth in Conflict*

12 **Organized Crime.** Consult H Asbury, *Gangs of New York*, C R Cooper, *Ten Thousand Public Enemies*, R Moley, *Tribunes of the People*, F Tannenbaum, *Crime and the Community*, chaps. iv-vi, P. S Van Cise, *Fighting the Underworld*

13 **Popular Readings** See Clarence Darrow, *The Story of My Life*, H J Forman, *Our Movie Made Children*; Thomas Minnehan, *Boy and Girl Tramps in America*, Eleanor Wembridge, *Other People's Daughters*, Eleanor Wembridge, *Life Among the Low-Brows*

CHAPTER 29

THE PROTECTION OF SOCIETY CALLS FOR EFFICIENT LAW-ENFORCEMENT

★★★

Force and authority are not ruled out by democracy It has the obligation to protect itself from anti-social persons. In doing so, its law-enforcement agencies should be efficient and its institutions designed as much as possible for the reformation of criminals

★★★

PUNISHMENT OF CRIME

How Criminals Were Punished in Early Times Primitive man avenged his own personal injuries Wrongs were related largely to a man's rights and his property The punishment of an offender against these rights was a private matter There were no public agencies, such as courts, to which an injured person could appeal for protection or revenge

As group life developed, punishment for serious injury to one's person was avenged by his family The law of blood revenge or the feud also operated between clans and tribes Moral justification for this personal system of righting wrongs was later found in the Mosaic law of the Hebrew scriptures which says, "Thou shalt give life for life, eye for eye, tooth for tooth, foot for foot, burning for burning, wound for wound and stripe for stripe"

With further development of social groups, it was believed that if a condemned person was tortured, others would take heed and not commit crimes As a result, some of the most barbarous and inhuman methods of punishment were used There is, however, little proof that the severity of punishment hindered others from committing offenses Experience shows that it is the certainty of punishment rather than the severity that restrains people from crime Torture is looked upon today by most nations as being unworthy of an advanced civilization

The Protection of Society. The primary purpose of imprisoning criminals is for the protection of society This is why we set up criminal codes, establish courts of justice, and build penal institutions In addition, many states liberally provide for parole and probationary

periods for those whom they believe may be safely returned to society. Statistics show that the majority of prisoners are released within a period of two years. One wonders to what extent imprisonment has changed the habits and character of released criminals. Have they been prepared to become law-abiding citizens? The influence of prison life often helps to create more crime instead of reforming the criminal. Those who have not reformed are nevertheless released when their sentences expire. They go back to a life of crime with an added grudge against society. If our prisons fail to return men to useful living, they have failed as institutions to protect society.

Capital Punishment. Capital punishment means that those who commit serious crimes are put to death by the state. Six states had abolished capital punishment by 1941.[1] There is no uniform method of executing criminals. Hanging is still used in many states. Twenty states have substituted electrocution as more painless, while eight states use lethal gas which causes instant death. As an ideal method of execution, gas has been pronounced "the quickest and most humane method of putting humans to death."

There has been a trend toward reducing capital punishment. Twelve states exact the extreme penalty for murder only, while others permit the court or jury to substitute life imprisonment.

There have been many arguments both for and against capital punishment. Those who are for it argue that it permanently eliminates the bad stock within our society. Economically, a criminal's keep is a continual drain upon public funds. Moreover, many criminals are emotionally unstable and those who are mentally diseased are nearly all incurable. Many times they escape punishment on grounds of insanity, or if given life sentences, they are ultimately paroled and may continue to commit serious crimes.

Those who argue against capital punishment do so largely upon humanitarian grounds. Innocent people have been put to death on circumstantial evidence. Furthermore, there is little evidence to show that the crime rate is any less in states where this penalty is enforced. Finally, as a method of punishment it is barbarous, cruel, and inhuman, and is entirely unworthy of a civilized nation.

Sterilization of the Unfit. There is considerable opinion developing among scientists and social workers that the degenerate stock of our nation reproduces most of the socially undesirable and unfit. They believe that this group should be sterilized. Eugenic sterilization is accomplished by a surgical operation which prevents reproduc-

[1] Maine, Rhode Island, Michigan, Wisconsin, Minnesota, North Dakota.

tion, but does not otherwise change the individual. The purpose of sterilization is that it will ultimately eliminate a large number of defectives with criminal tendencies from our population

The questions quite naturally will be asked, "Who shall be sterilized?", "Who is the inferior person?" People who are deaf, blind, crippled, or deformed can lead useful lives Many of them have made great contributions to our civilization These are not considered inferior On the other hand, there are those who are a continual source of trouble and expense—sexual criminals, prostitutes, drug addicts, the feeble-minded, the habitual criminal, and those who are not morally responsible for their acts They may transmit undesirable traits to their offspring through inheritance

As a nation we have already sterilized 27,000 persons The Indiana legislature legalized such operations in 1907. Since then 29 states have adopted similar legislation Among the most active of these are Virginia, California, Delaware, Kansas, and Minnesota The Supreme Court of the United States has ruled in a case, upon appeal from the courts of Virginia, that the state has a right to protect its own interests by compulsory sterilization if necessary This right, the court held, cannot be abandoned

California adopted such a law in 1909 It is applied only to those legally committed to state institutions as insane or feeble-minded Patients are sterilized only upon recommendation of the medical director and his staff, together with the approval of the director of the State Department of Institutions Only under these conditions is the operation compulsory

Among the foreign countries that have sterilized the unfit are the Provinces of Alberta and British Columbia in Canada, the Canton of Vaud in Switzerland, the State of Vera Cruz in Mexico, Denmark, and Norway Germany has taken the lead with a record of over 200,000 cases

We are primarily concerned in this discussion with protecting society from those who are dangerous and a menace to the general welfare Sterilization can become a useful tool to improve social groups But there is always the potential danger that sterilization may become a powerful weapon used by unscrupulous heads of governments to further their own ends

Probation A person on probation remains under court supervision instead of going to prison. He must periodically report to a supervisory officer The granting of probation is generally left to the discretion of the court Its primary purpose is to benefit juveniles and

first offenders. There are cases where probation should be denied to drug addicts, alcoholics, feeble-minded, and hardened criminals.

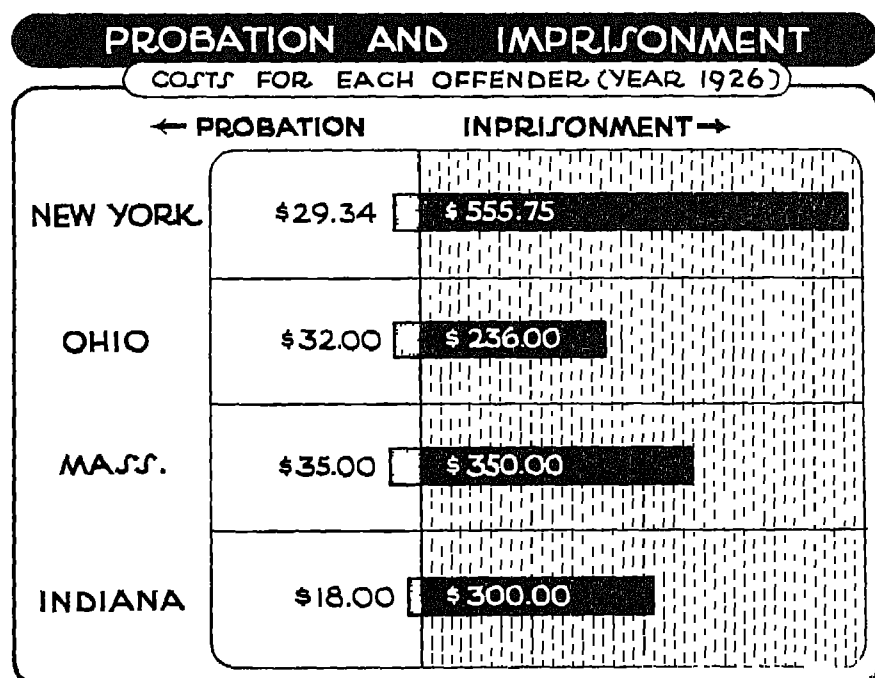
Before imposing sentence the court is usually supplied with a case history of the offender. This report may reveal family troubles, evil companions, or bad health. The court may learn the exact motive for the crime and be able to arrive at a satisfactory solution. If probation is granted, efforts are made to find employment, to correct health conditions, and to help the offender make satisfactory recreational adjustments. If he fails to respond to this treatment he may be sent to prison to serve his sentence.

The success of probation depends much upon the tact of the officer in charge of the case and his ability to win the confidence of the offender. Special training and ability are required to carry on this work.

An interesting comparison can be made between the costs of keeping an offender in prison and probation. The results of four states are given in the following table.

PROBATION AND IMPRISONMENT

COSTS FOR EACH OFFENDER (YEAR 1926)

	← PROBATION	IMPRISONMENT →
NEW YORK	$29.34	$555.75
OHIO	$32.00	$236.00
MASS.	$35.00	$350.00
INDIANA	$18.00	$300.00

Massachusetts has had unusual success with her probation system for more than 50 years. The number on probation increased from

6,000 in 1900 to 32,000 in 1929. During this same period the number of criminals sent to the penal institutions of Massachusetts decreased from about 28,000 to nearly 20,000.[1]

Parole. 1. *Its Nature and Purpose.* Under parole a prisoner is released before the end of his prison sentence and permitted freedom under supervision of the state.[2] Parole does not shorten the prisoner's sentence, rather it prolongs punishment, if properly administered. Parole should not be confused with a pardon, for those released are not restored to immediate citizenship. Parole is used to give a criminal another chance under correctional treatment.

The large majority of criminals are ultimately released from prison on parole. Under the federal parole law they must serve at least one-third of the sentence before an application for release can be made to the parole board.[3] In 1933 nearly 70,000 prisoners were released from the penal institutions of the United States. Over one-half were released on parole. The remaining 40 per cent had served full time.

Parole boards place a great deal of weight upon the nature of the crime which the prisoner has committed and his record of behavior while in prison. The fact that he is a first offender may help to secure an early release. While on parole he must report regularly to a supervisory officer about his habits and associates. The parolee may be returned to prison for associating with ex-convicts, for using an alias, or fictitious name, for wasting his earnings, for drunkenness, or for failure to provide for dependents.

2. *Criticism of the Parole System.* The parole system has often been condemned, but in many places where it has been criticized, it has not been scientifically tried.

Members of parole boards in many instances are appointed by politically-minded governors. Parole is the task of expert penologists and sociologists, rather than political henchmen. Many parole boards serve only part time. Their information is supplied by clerks instead of experts. Hence, many decisions are ill-advised and made in haste. Fourteen states have no parole officers, while 13 have only one officer

[1] Frank Tannenbaum, *Crime and the Community*, Boston: Ginn and Company, 1936, p. 169.

[2] The only states in the union that do not grant paroles are Florida, Mississippi, and Virginia.

[3] Much of the success or failure of the parole system depends upon the parole board. New York State is an outstanding example where parole is efficiently administered. In 1930 it established a full time Board of Parole of three members, each of whom receives $12,000 a year. This Board is assisted by 10 social investigators and a staff of about 150 competent field agents who supply information upon which decisions are based. Besides the federal government, there are only 14 states which provide full-time paid parole boards.

to carry on this work In others, one field agent may have to supervise 300 or 400 men Parole is meaningless unless the proper supervision is provided

The parole system must be a constructive method of rehabilitating the criminal The sting of defeat is felt keenly by anyone with imagination when he is released from a penal institution He is given a cheap suit of clothes, perhaps $8 00 or $10 00, and a railroad ticket to the place nearest the place of his conviction Preparing the prisoner for release is the work of the prison authorities, seeing him properly rehabilitated is the work of the parole system

The Prison System

Prisons in the United States There are over 3,000 penal institutions in the United States These include prison reformatories, prison farms, work houses, chain gangs, and local jails Nearly 700,000 persons pass in and out of their gates each year The annual cost of administering prisons and reformatories is about 300 million dollars The federal government maintains important prisons at Leavenworth, Kansas, McNeil Island, Washington, Atlanta, Georgia, and Lewisburg, Pennsylvania Prisons have been built for incorrigible and hardened criminals on the Island of Alcatraz in San Francisco Bay There is a special prison for women at Alderson, West Virginia, one for the insane and tubercular at Springfield, Missouri, and farms are maintained to treat drug addicts at Lexington, Kentucky, and Fort Worth, Texas Among the most noted state prisons are Sing Sing, Elmira, and Auburn in New York, Folsom and San Quentin in California, Charlestown Prison in Massachusetts and Joliet Prison in Illinois

Our state prisons are notorious for their overcrowded conditions The prison population for the state of Ohio, for instance, increased from nearly 4,000 in 1923 to 8,600 in 1930 Ohio State Penitentiary had 4,345 inmates in 1928, although it had cells for only 2,184 These conditions have been caused by the increased length of sentences and the greater number of persons committed to prisons and reformatories

Prison Administration. The warden is responsible for the control and supervision of the prison He must be a disciplinarian, a humanitarian, an educator, and sometimes an executioner Most wardens, however, are political appointees with little training or experience Some of them have been deputy wardens, guards, police officers, or sheriffs Their salaries are generally so low that first-rate men are not interested in the position However, the federal government has

competent wardens Now and then there are outstanding state wardens such as Osborne and Lawes, who carried on reforms at Sing Sing

Prison administrators are hampered in their work because of inefficient personnel Guards often receive low wages, and they are not always chosen upon merit Their only aim is to maintain discipline, to suppress riots, and to see that nothing occurs which might create public scandal The larger task of the warden is to conceive of a prison as an educational institution His definite goal should be to prepare men to adjust themselves to normal life when released Such a prison administrator must have a broad understanding of penology and criminology

Life in a Prison Community. Most prisons have abandoned the idea of humiliating and degrading the convict They no longer compel them to wear striped clothing, to have their heads shaved, or to march in lock step Such punishments as a bread and water diet, or being handcuffed to a wall in a "Black-Hole" for disciplinary purposes are being abandoned Punishment instead consists of a loss of privileges, such as tobacco, letter-writing, yard privileges, or loss of the right to receive books, newspapers, or magazines Prisoners may earn a reduction in time by good behavior

The prisoners are given work of various kinds to do Some prisons provide labor by manufacturing auto license plates, shirts, shoes, clothing, furniture, brooms, and other articles In several states prisoners are used for road work and public works Organized labor, however, frowns upon prison-made goods with which they must compete on the open market In order to protect free industry from competition with prison manufactured goods, Congress in 1929 passed the Hawes-Cooper Act which forbids prison-made articles from passing between states in interstate commerce Under the state use system, articles manufactured in prisons are used only by state institutions.

Men who have shown themselves to be honest and reliable are called "trusties" They are sometimes permitted to leave the prison walls unaccompanied by guards Some do clerical and office work The prison farm is provided for this type of offender Here they lead a life of freedom out in the open The cost of upkeep is less because very little supervision is required

Enlightened Management of Federal Prisons. The United States Department of Justice has made some notable reforms within federal prisons The federal penitentiary at Lewisburg, Pennsylvania, is a good example Its buildings are grouped and set apart, reminding one of a college campus Every room has plenty of light and air

Men are sent here for the violation of federal laws—counterfeiting, kidnaping, violation of the Mann Act, interstate motor theft act, and for the infraction of postal laws.

Offenders are placed in quarantine for a month before they are assigned duties. During this time, prison officials are completing a microscopic record of each individual. He faces a prison clinic made up of the warden, his associate, the chief medical officer, and the prison psychiatrist. They question him, learn something of his attitude and his aims. He is assigned to work where his conduct will be watched. If he is co-operative and takes a reasonable attitude toward his sentence he will make suitable progress in the prison.

The prisoner finds no iron-clad rules for silence. Men may converse at meal time. They may subscribe to magazines and newspapers. They are encouraged to improve themselves educationally by attending evening school where it is possible to earn a high-school diploma. The prison library of 12,000 volumes has a circulation of over 100,000 books a year.

Some form of outdoor work is compulsory. Athletic contests and recreation after work hours are encouraged. Baseball is a leading sport, followed by basketball, handball, boxing, and horseshoes.

All able-bodied men are kept busy either in the industrial plant or the prison farm. Many learn a useful trade, and all are taught good work habits.

The aim of federal prisons is not punishment, but discipline. Prisoners are taught to realize that they have made a mistake. One purpose of discipline is to teach self-respect. The number of parole violators who return to Lewisburg is about 1.4 per cent, a record for all prisons in the United States. Its warden, Henry C. Hill, says "We clean them up in body, mind, and soul."

LAW-ENFORCEMENT

Federal Agencies Which Combat Crime. Congress has set up various federal agencies to combat crime directly and to enforce the federal laws. There has been no attempt to centralize law-enforcement, but rather to aid and supplement state and local agencies. Some of the agencies which have been thus created are:

1. The Secret Service, which primarily protects the person of the President of the United States, his family, and the President-elect. It plans the President's itineraries, protects him in his everyday life and otherwise cares for his safety.

2. The Federal Bureau of Investigation has wide jurisdiction to cover all matters which concern the federal government This agency is equipped to aid local and state law-enforcing officers It also co-ordinates its work with that of other federal agencies
3. The Postal Inspectors track down violations of the postal laws The "sanctity of the mails" must be preserved by its quarter of a million employees, and in its 45,000 post offices, which handle yearly billions of dollars worth of property in money orders, registered mail, and parcel post packages
4. The Bureau of Immigration and Naturalization sees that no aliens enter the United States except under the regular quota In 1925 Congress appropriated $1,000,000 for the establishment of a land-border patrol
5. The Bureau of Internal Revenue investigates violations of income taxes and detects fraud in the United States Treasury Department
6. The United States Coast Guard protects lives and ships at sea and co-operates with other federal agencies when called upon
7. The Alcohol Tax Unit is concerned primarily with tax collections on alcoholic liquors It arrests bootleggers This agency is controlled by the Bureau of Internal Revenue
8. The Customs Service enforces the tariff laws
9. The Narcotic Unit enforces anti-narcotic laws
10. The Pure Food and Drug Unit investigates the sale of nostrums, cure-alls, and quack remedies
11. The Federal Game Wardens protect fish and game
12. Army Intelligence Service
13. Navy Intelligence Service.

These agencies all work toward one end, federal law-enforcement Hence, if an alien was caught crossing our northern boundary on horseback illegally with valuable diamonds concealed on his person, he might be questioned by a number of these agencies The Customs would ask him to pay a duty on the diamonds, the Bureau of Immigration would apprehend him as an alien, Agriculture would quarantine his horse and the Army and Navy Intelligence Service would want to know if he was an agent of a foreign country

These agencies are extremely active For the year of 1935-36 the Alcohol Tax Unit arrested 30,913 persons The Customs made 10,915 port examinations and 1,746 arrests. The Immigration Border Patrol

apprehended 12,406 persons. The Postal inspectors investigated 108,-118 cases and made 4,094 arrests. The Secret Service arrested 3,153 persons, and the Federal Bureau of Investigation examined 46,587 cases.

Some Important Federal Statutes. The national government has passed laws to aid state and local governments in combating crimes which affect interstate commerce. Some of these laws are:

The Mann White Slave Law, passed in 1910, is one of the earliest examples of federal legislation dealing with interstate traffic. This law made it illegal to transport girls or women across state lines for immoral purposes.

In 1910 we were using 50,000 pounds of opium for medical purposes, while we were importing over 200,000 pounds yearly. Congress therefore passed the Harrison Narcotic Law in 1914, which compelled all persons dealing in narcotics to register with the federal agencies. In 1932 the United States Senate ratified the Convention for Limiting the Manufacture and Regulating Distribution of Narcotic Drugs. This convention is to tighten international control and supervision of narcotics by limiting the manufacture in all countries to the medical needs of the world.

In 1925 Congress appropriated funds authorizing a coastal as well as a land border patrol. Any employee of the Bureau of Immigration was empowered to arrest, without warrant, any alien who attempted to enter the United States illegally. He was also empowered to search for aliens in vehicles or vessels in territorial waters of the United States.

The Dyer Act of 1917, known as the Motor Vehicle Theft Act, made it illegal to transport a stolen car from one state to another. Persons who knowingly receive, conceal, store, or sell such a car may be prosecuted in the federal courts. The National Stolen Property Act of 1934 extended the provision of the Dyer Act to all property provided it was valued at $5,000 or more.

After the nation had been shocked by the kidnaping and murder of the Lindbergh baby in 1932, there was strong sentiment in favor of a national law against kidnaping. Congress therefore enacted the so-called Lindbergh Law in June, 1932, making it a crime punishable by death or long term imprisonment to transport kidnaped persons across the state line. Federal agents can now enter any case within seven days, on the presumption that state lines have been crossed. Another act passed in 1932 makes it a crime to send threats through the mails. In 1936 an act was approved making it illegal to receive,

possess, or dispose of any money knowing that it has been received as a ransom.

In 1934 Congress passed the Federal Fugitive Act which makes it a crime for any person to cross state lines with the intent to avoid prosecution for any of the following crimes committed or attempted: kidnaping, murder, burglary, robbery, mayhem, rape, assault with a dangerous weapon, or extortion accompanied by threats of violence.

The National Firearms Act of June, 1934, provides that there shall be a federal tax on machine guns, sub-machine guns, sawed-off shotguns, certain classes of rifles, and fire-arms silencers. All dealers must be licensed and weapons must be registered.

Congress has also passed a law extending federal jurisdiction over robberies of all banks insured by the Federal Deposit Insurance Corporation.

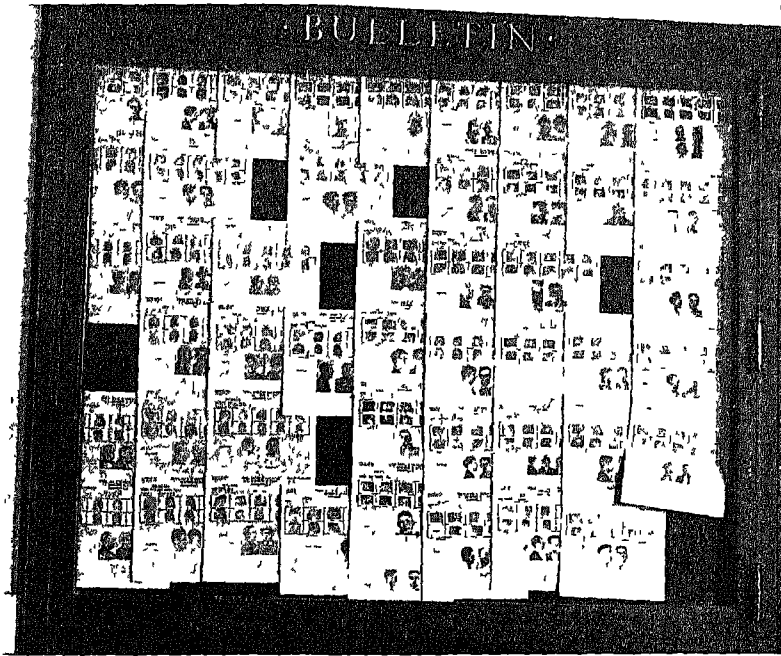
The Federal Bureau of Investigation. The jurisdiction of the Federal Bureau of Investigation covers the violation of anti-trust laws, bankruptcy, frauds, crimes on the high seas, theft of government property, impersonation of federal officials, locating escaped federal prisoners, violation of the National Banking Act, and the National Motor Vehicle Theft Act.

The characters of applicants for jobs as government agents are gone over with a fine tooth comb. Preference is given to attorneys, expert accountants, and persons with extensive law-enforcement experience. Applicants must be between twenty-five and thirty-five years of age. They receive 14 weeks of rigorous training in various phases of criminology, catching criminals, and detection. All agents must be sound physically and must become proficient in the use of various types of firearms. University degrees are held by 452 of the Bureau's special agents, and at least 25 foreign languages are spoken by the various men in the service.

On December 31, 1936, the Bureau had recorded nearly seven million fingerprint records of which over 5,500,000 were criminal.[1] About 1,900 police departments throughout the United States now make monthly reports to the Bureau. Nearly 4,700 new records of fingerprints are received daily for recording. Seventy foreign countries exchange records with the Bureau. From these records statistics are compiled and published quarterly in the *Uniform Crime Reports*

[1] Identification of persons by the fingerprint method has become an exact science. Authorities say that 12 points of similarity from the two hands of a person are sufficient to represent conclusive distinction from every other human being. The courts recognize such proof as valid evidence. It is claimed by mathematicians that there is one chance in 64 million that the fingerprints from the hand of one person will be the same as those of another.

Another section of the Bureau is devoted to civil identification. Here the fingerprints of law-abiding citizens are recorded. In case of disaster or accident this insures identity of persons who are victims of amnesia, fires, earthquakes, wrecks, or floods.

The Federal Bureau of Investigation has field offices in 37 cities throughout the United States. Each operates with a special agent in

Farm Security Administration, photo by Lee

"Wanted." These identification cards posted in a post office are symbols of the long arm of the law.

charge, who is responsible to headquarters at Washington. The work of all offices is co-ordinated.

The cost of operating the Bureau for 1935 was over four and one half million dollars. Ninety-four per cent of the cases investigated and brought to trial resulted in convictions. Over a period of two years the 600 men of the Bureau cleared up more than 50 kidnaping cases and broke up 10 gangs of nation-wide bank robbers.

Scientific Aids to Police. Gangsters, says J. Edgar Hoover, director of the F. B. I., have been able to outdistance the police because law-enforcement officers have not kept abreast of criminals in scientific techniques. Modern police forces are becoming equipped with tech-

nical laboratories to enable them to gather evidence from minor clues Technicians examine bullets, exploded shells, and the water mark on paper They make casts of footprints, tire tracks, and death masks of unidentified persons. They microscopically analyze hair, textile fibers, and blood stains Experts analyze handwriting and use the ultra-violet ray lamp for invisible writing found in secret documents Fluoroscope and X-ray machines are used to examine suspicious packages, bombs containing clock-work mechanisms, wires, and batteries can be clearly identified The ultra-violet ray plainly shows the original sum on checks which has been erased and raised by chemicals Special cameras are used for photographing specimens

A scientific instrument known as the "lie-detector," or Keeler-Polygraph, is also used to record the blood pressure of suspected persons If the one undergoing the test is guilty, he is under emotional strain when denying such questions as "Did you rob the bank in Peterborough?" or "Did you murder Jones?" The secretions of the ductless glands cause the blood to receive additional energy, the heart beats faster, and powerful physiological changes take place in the body Though one appears cool and collected, he cannot control these involuntary forces which immediately register on the instrument Although this machine often aids detecting officers in securing confessions, the courts have been reluctant to accept the results as valid evidence of guilt

How Modern Cities Combat Crime. You have no doubt heard how some of our cities have streamlined their police forces The modern police patrol cruises in a modern equipped police car Superiors dispatch the police to the scene of a crime by radio They report back to their superiors by the same method

Cleveland, Ohio, had been having so many murders, man-slaughters, and hold-ups that drastic action was necessary A new zone patrol system replaced the old set-up of 16 police precincts The city was divided into five new districts, which were in turn divided into 32 zones Each of these was equipped with a two-way radio car Ultimately there will be 54 zone cruisers on the street, making it possible for one of them to be within less than a mile from any given spot in the city. The zone patrol cars constitute the basic patrol of the city, and they are on duty 24 hours a day

State Police. One of the most modern and efficient state police departments is that of Indiana [1] Its superintendent acts as an executive-

[1] Public sentiment demanded modernization of the state police force after a series of intolerable bank robberies, climaxed by the Dillinger episodes

assistant to the Governor of the state. He is advised by a bi-partisan state police board, composed of two Democrats and two Republicans. The state is divided into eight state police posts. Each of these contains barracks which are the headquarters for the men in the field. A central police post or headquarters division is located at Indianapolis, the state capital. Five radio broadcasting stations for the state

Farm Security Administration, photo by Vachon

Well equipped, fully trained police are one of the greatest protections against crime.

police link every officer to headquarters, and may at any moment mobilize the force for action.

This state department is provided with all the scientific equipment to make it function as an efficient unit. It possesses crime detection equipment, a criminological laboratory, a photographic studio, a fingerprint bureau, radio broadcasting stations, and a motorcycle corps. If the occasion demands, airplanes of the National Guard may be called into use. These machines are equipped with two-way radio, they can locate a fleeing car from the air and relay information to guide the squad cars in pursuit. Many other states have police departments similarly organized and equipped.

Conclusion. There is a belief that the certainty of punishment has more to do with the stopping of crime than the severity of the punishment. All advancement in modern law enforcement is based on this principle.

Law enforcement has two purposes, the protection of society, and the rehabilitation of the offender The penal institutions of today are slowly moving toward the work of rehabilitation They have not advanced a great distance, but here and there we find trends away from the common type of custodial institution As part of this trend we find an increased interest in probation and parole and their application to the offender by scientifically trained social workers Principles of penology cannot be applied with any degree of success by political henchmen

The federal government is doing much to unify the law enforcement and to lead the way toward remedial penal institutions The federal prisons are models from which good examples can be drawn by the various states The Federal Bureau of Investigation and the development of national criminal law are leading the way toward more speedy and certain crime detection

We are beginning to realize that it is essential to train police officers in the latest scientific methods of crime detection, and in the use of scientific apparatus that will aid in their work Brawn can no longer cope with the modern criminal, who has the latest scientific equipment to aid him in breaking the law

Unit Summary

The laws in a democracy are made by the representatives of the people in the interests of the whole group No one would assert that all the laws are just and reasonable The remedy, however, for those that are not is repeal, not violation The good citizen obeys the law The criminal breaks it Democracy must work to eliminate the social conditions that cause crime and to reform as many criminals as possible This will not work for many, hence our prison system Even here where the habitual criminal is concerned, democracy should be humane, though firm and forceful There should be no question about the right of the democratic state to use authority, for it receives that authority from the best source of all—the people

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest capital punishment, probation, parole, parole board, warden, state-use system, Federal Bureau of Investigation, postal inspectors,

United States Coast Guard, narcotic unit, the Federal Fugitive Act, Uniform Crime Reports, Keeler-Polygraph

INFORMATION, PLEASE!

2 **a.** Contrast the methods of punishment for criminals in early times with those used today Does the latter frequently thwart the purposes of justice? **b.** How widely is capital punishment used in the United States? Give arguments for and against this type of punishment **c.** Explain the purpose of sterilizing the unfit **d.** State the purposes and methods of probation and parole, giving arguments in favor of and against each **e.** What are some of the problems of prison administration and how can they be met? **f.** Describe life in a prison community **g** Show how a rehabilitation program is carried on in federal prisons **h.** Enumerate the federal agencies which combat crime, and give several cases showing how they operate **i.** Enumerate important federal laws passed to help combat crime which affects interstate commerce **j** Explain how the Federal Bureau of Investigation operates **k.** How is modern science used to aid in crime detection? **l** Show how state law-enforcing agencies and police forces in some large cities have been modernized to combat crime

CAN YOU THINK?

3 **a** Do you consider wearing striped uniforms, working on chain gangs, or being confined to a black dungeon on a bread and water diet, valuable lessons to law-breakers? **b** Would you substitute life imprisonment for capital punishment? Why? **c** Although the third-degree has been widely condemned by some for its brutality, others contend that the police would never secure important confessions without its use What is your position? **d.** Major-General Smedley Butler once proposed that all local police officers be incorporated into a state unit to prevent political collusion and graft Discuss **e** "Probation should be abolished and every convicted man made to serve a part of his sentence before being placed on good behavior" Do you agree? **f** Which of the following acts is a greater deterrent to crime, (1) the swiftness and certainty of detection and punishment, or (2) the severity of punishment?

WE LEARN BY DOING

4 **Map** Make a map of the United States showing the location of our federal penal institutions See *World Almanac,* 1941, 512 Also make a map showing the location of your state penal institutions

5 **Observation Trip.** Visit your county coroner Has he a scientifically-equipped laboratory to aid him in solving crimes of violence? Raymond

Moley's *Politics and Criminal Prosecution,* chap v, will add to your knowledge of this important office

6 **A Special Report** To compare the law-enforcement methods used in other countries, see F P Wensley, *Forty Years in Scotland Yard,* and R C Fetherstonhaugh, *Royal Canadian Mounted Police*

7 **Investigation.** Write to your state superintendent of prisons and ask him to send you data on the probation and parole of prisoners

8 **A Special Paper** Write a paper showing what you believe the prison of the future must be to carry on its job more successfully F Tannenbaum, *Crime and the Community,* chap xx, will give you some ideas

9 **Panel Discussion.** Resolved That if every able-bodied man had a job which offered economic security, crime would disappear

WE READ FROM OTHER BOOKS

10 **Probation and Parole** Consult N F Cantor, *Crime, Criminals and Criminal Justice,* chaps xx-xxi, E H Sutherland, *Principles of Criminology,* chaps xviii and xxiv, F Tannenbaum, *Crime and the Community,* chaps xviii-xix

11 **Education in Prison** Consult *Prisons of Tomorrow,* Annals of the American Academy, Vol 157, September, 1931, N F. Cantor, *Crime, Criminals and Criminal Justice,* chap xix, F Tannenbaum, *Crime and the Community,* chaps xvi-xvii

12 **Popular Readings.** S Bates, *Prison and Beyond,* M Booth, *After Prison, What?* J Johnson, *Prison Life Is Different,* L Lawes, *Twenty Thousand Years in Sing Sing,* D Lowrie, *My Life Out of Prison,* M Mooney, *Crime Incorporated,* F Netti, *Escape,* K R O'Hare, *In Prison,* T M Osborne, *Within Prison Walls,* M Purvis, *The American Agent,* F Tannenbaum, *Wall Shadow*

UNIT X

THE NATIONAL RESOURCES OF THE UNITED STATES ARE BASIC TO DEMOCRACY'S ECONOMIC WELL-BEING

****

30. THE WELFARE OF AGRICULTURE IS ONE OF THE FOUNDATION STONES OF OUR NATIONAL WELL-BEING

31. CONSERVATION OF NATIONAL RESOURCES IS AN OBLIGATION TO THE DEMOCRACY OF THE FUTURE

CHAPTER 30

THE WELFARE OF AGRICULTURE IS ONE OF THE FOUNDATION STONES OF OUR NATIONAL WELL-BEING

★★★

The American standard of living is based on our use of the land. When the seven million farm families fail to receive their fair share of our national income, the whole nation suffers. An equitable balance between agriculture and industry is a necessity.

★★★

The Farmers' Financial Problem

The Farmers' Investment. Have you ever thought just how much capital it requires to own and manage a farm? The sum of money invested depends somewhat on the size of the farm. According to the Census Bureau, a farm must consist of at least three acres or more, unless its agricultural products are valued at more than $250. Most of our farms are much larger, the average size of each is 157 acres.

There are now 6,500,000 farms in the United States and 32,500,000 people live on them. We had over one billion acres of land under cultivation in 1935. The estimated value of farm land, buildings, implements, machinery, and livestock was then more than 57 billion dollars. The farmers' implement bill averaged 651 million dollars annually during the 1920's, while the cost of operating farm tractors, trucks, and automobiles amounted to 483 million dollars in 1930.

The editors of *Fortune*[1] made an interesting study of a 400-acre farm in the heart of the Illinois corn belt. At $200 an acre the land represents an investment of $80,000, the improvements, such as buildings, $15,000, livestock $2,700, and machinery about $3,700, making a total of over $100,000. In 1934 the gross receipts from this farm were $7,467, while farm expenses amounted to $3,642, leaving a total profit of $3,825. If he is entitled to make a fair return, his farm should have earned enough to pay his taxes (about $500), his living expenses (about $2,000), and a 5 per cent return on his investment (about $5,000), or a total of $7,500 above his expenses.

But the farmer is subject to conditions over which he has little control. If he contracts obligations when prices are inflated, he must

[1] "A Farm in Illinois," *Fortune*, August, 1935.

The fertile land.

Farm Security Administration, photo by Carter

raise more produce to pay his debts He is frequently confronted with such conditions as falling prices for the commodities which he sells, while the prices of farm machinery and consumers' goods increase There is need to create a more equitable balance between these two factors if the farmer is to play an important part in our economic system

The Depression Strikes the Farmer The recent farm depression may be traced directly to the World War The Allies turned to the United States for large quantities of wheat, corn, and meat This

Farm Security Administration, photo by Lange

Abandoned farm machinery—a common sight in some of the agricultural regions during the depths of the agricultural depression in the past decade

demand created a new foreign market which stimulated production of American agricultural products After our country entered the war in 1917, the government made a patriotic appeal for increased production As a result, over 40,000,000 acres of prairie land and pastures were plowed and added to cultivation On the basis of this prosperity the farmer bought more land at inflated prices Easy credit led him to mortgage his holding, improve his property, and to buy expensive machinery He relied upon the hope that the high prices which would make it possible for him to pay for his debts would continue

After the war ended, millions of European soldiers went back to their farms As they produced their own food, our exports dwindled We were now raising more food than we could consume Large surpluses of agricultural products caused a serious break in farm prices

in the fall of 1920. Overproduction proved to be a curse to the farmer.

Government Aid During the Twenties. The American farmer did not share much of the Coolidge prosperity. While industry was enjoying a "boom" from 1920 to 1929, deflated farm prices brought disaster to the farmer.

Several schemes were proposed to aid the farmer. Congress passed the McNary-Haugen bill in 1927 and again in 1928. Under the farm program proposed by these laws, surplus farm products were to be disposed of by dumping them abroad at the world market price. It was believed that the domestic price on the products remaining in the United States could then be fixed to yield the farmer a profit. President Coolidge vetoed both bills.

During President Hoover's administration Congress passed the Agricultural Marketing Act. This law created the Federal Farm Board, composed of nine members, including the Secretary of Agriculture. A fund was provided from which loans could be made to farmers' co-operatives to help them market their agricultural products.

The Farm Board created the Grain Stabilization Corporation which attempted to check the downward plunge of prices by purchasing surpluses of cotton and wheat. The Corporation bought 330,000,000 bushels of wheat and 3,500,000 bales of cotton. The net result was a loss of $185,000,000 by the government in two years. And the farmer was deeper than ever in depression.

The government had no power to control production. Agricultural officials urged farmers to reduce their acreages by voluntary agreement. Stabilized prices, however, merely induced the farmers to plant more so that they could get enough cash to pay off their old debts. As soon as the government stopped buying surpluses, the price of wheat and cotton dropped to new low levels. This program failed to provide relief for the farmer.

This distressed condition of the farmer became more acute as three-quarters of a million farms were lost through bankruptcy sales and mortgage foreclosures from 1930 to 1935. The value of farm property in the United States dropped from 78 billion dollars in 1919 to 44 billion dollars in 1932. Mortgages on farms increased from $3,300,000,000 in 1910 to $9,500,000,000 in 1931. Because of mortgage foreclosures, one Federal Land Bank owns 1,100,000 acres of land and operates more than 4,000 farms. A survey showed that 10 per cent of all farms in Iowa were in the hands of banks and insurance companies.

In some of the western states the farmers fought mortgage foreclosures with strikes In Iowa, the State Militia had to break up crowds of farmers who were violently protesting the foreclosure of mortgages by public auction As a protest against the low prices they were receiving, the farmers in the milk-producing areas dumped milk from trucks going to market Several states passed moratorium laws, preventing the forced sale of farms for a short period By 1933 Congress was ready for a more drastic measure—that of controlling production through an economy of scarcity

How the Foreign Market Affects the Farmer There has been a direct relation between American farm prosperity and the condition of foreign markets Before the depression we exported 55 per cent of our cotton, 18 per cent of our wheat, 16 per cent of our hog products, and 41 per cent of our leaf tobacco Our farm exports from 1925 to 1929 averaged $1,900,000,000 a year One dollar out of every eight of gross farm income came from export sales Agricultural exports at the end of the 1930's yielded only one-fourth of that amount, or about $500,000,000 a year This decline primarily affects the cotton growers, cattle feeders, corn and hog farmers

What has become of our foreign markets? Since the First World War, we have been a creditor nation Our debtors had little cash with which to pay, but they had commodities to sell—woolens, lace, china, glassware, leather goods, textiles, and fabricated articles Our high tariff laws kept them from trading with us

European nations retaliated by putting a tariff on our goods Our annual export of 200,000,000 pounds of lard to Germany fell to one-half that amount in 1934 In 1935 no American lard was exported to Germany During the First World War and shortly thereafter Germany, Italy, and France imposed no tariff on wheat In 1933 foreign duties were as follows

United Kingdom	4 3 cents per bushel
France	85 0 cents per bushel
Italy	107 0 cents per bushel
Germany	162 0 cents per bushel

Foreign trade was thus greatly affected by this economic warfare European countries increased their production about 10 per cent They paid bounties to their own farmers and placed quotas and licensing restriction on imports High tariffs helped to strangle international trade

Furthermore, we now have serious competition in the world markets Canada, Argentina, Australia, and Russia now produce wheat for export. Argentina is a serious competitor in the beef market Whereas she exported only 54 million pounds in 1900, she sent out over 2 billion pounds in 1930.

Reciprocal Trade Agreements. We have tried to stimulate foreign trade through reciprocal trade agreements By such treaties we lower, or agree not to increase, our duties on some products of one nation that is willing to lower, or agrees not to increase its duties on some of our products We made such an agreement with Cuba They reduced import duties on lard in 1934 from $9 60 a hundred pounds to $2 30 We lowered duties on sugar and tobacco, protecting our home market, however, by setting a quota on the amount we would take We also made such treaties with Sweden, Brazil, Belgium, Columbia, Canada, and the Netherlands, dealing with thousands of products

Surplus Farm Products Modern technology helps the farmer to increase his output rather than to reduce it Commercial fertilizers help to increase the yield per acre Engineering techniques, too, enable us to irrigate millions of acres of land in arid western states It is estimated that there are still 60 million acres of land in the United States that can be made available for agricultural purposes

Scientific farming helps the farmer to raise more, yet he receives less money when he has surpluses In 1924, for instance, he was paid over a billion dollars for 865,000,000 bushels of wheat In 1931, he received only $400,000,000 for 895,000,000 bushels The cotton crop in 1924 brought the farmer nearly $1,550,000,000, while in 1931 this was reduced to $500,000,000 for 2,300,000 more bales of cotton.

It has been estimated that the farmer, to gain an equitable return for his crops, must reduce acreage of wheat by about 20 million acres, of cotton by about 25 million acres, and of other crops, by 16 million acres to maintain prices that will give him a fair return for his labor One authority has stated that the farm problem is simply this—"all the farm products we use, plus all we can sell abroad, could be produced by two-thirds of the people now living on farms"

For the last 15 years we have been producing a surplus of wheat, cotton, corn, and livestock Economists say that such conditions cause the farmer to suffer because of an inelasticity in demand This means that people consume about so much food regardless of price The truth of this assertion is open to question Twenty-five years ago the average American ate about 210 pounds of wheat flour every year, today he

eats only 175 pounds. Instead we are eating more fresh fruits, green vegetables, and dairy products.

There are millions of families in the United States who do not have an adequate diet of such essentials as fresh vegetables, fruit, milk, butter, and cheese. If these people had sufficient purchasing power we would need to produce more of certain commodities to meet their needs. We need to raise our standard of living. This will enable many who live on an inadequate diet today to become consumers, who will help decrease our food surpluses.

All of these estimates of farm surplus apply, of course, only to peacetime. During the present war, America has again become the world's most reliable source of grain, meat, eggs, cotton, and dairy products. This means that temporarily the farm surplus problem has been forgotten. But just as in 1919, the time will come when a real solution for peacetime farm consumption will have to be worked out.

What Has Happened to the Farmers' Income? You can judge the seriousness of the farmer's problem by studying his share of the national income. In 1920 the gross farm income amounted to nearly $17,000,000,000. By 1932 it had dropped to $5,400,000,000. In 1939 it had risen to $9,800,000,000, of which $800,000,000 was from the United States government as payment for crop reduction. The following table shows the variation from 1919 to 1939.

In 1919 he received 18.5% of the national income
In 1925 he received 11.1% of the national income
In 1928 he received 9.3% of the national income
In 1932 he received 7.0% of the national income
In 1939 he received 14.1% of the national income

The farmers' income is determined by the fluctuation of prices received for farm commodities. The price of wheat is a concrete example. It fell from $1.83 a bushel in 1920 to 39 cents a bushel in 1932. Thus, if a farmer had mortgaged his land in 1920 and agreed to pay $500 a year in interest, he would have to sell about 275 bushels of wheat to meet this payment. In 1932 he would have to sell nearly 1,300 bushels to pay the same interest. Under these conditions the farmer must produce more crops to meet his obligations. And the more he produced, the less he got for it.

The farmer's income must be more nearly balanced with the income of his neighbor in the city. His standard of living cannot be raised

unless his purchasing power from the sale of his commodities enables him to buy manufactured products at reasonable prices

TENANCY AND SHARE-CROPPING

The Increase of Farm Tenancy The increase of farm tenancy is causing a revolution in agriculture A tenant is a renter He leases the land for a cash sum, or for a share of the crop Farm tenancy is not new, since most young farmers have gone through the progressive stages of being a wage hand and a tenant, before they acquired farm ownership Farm tenancy, however, has continued to grow until it threatens to disrupt our system of freehold ownership

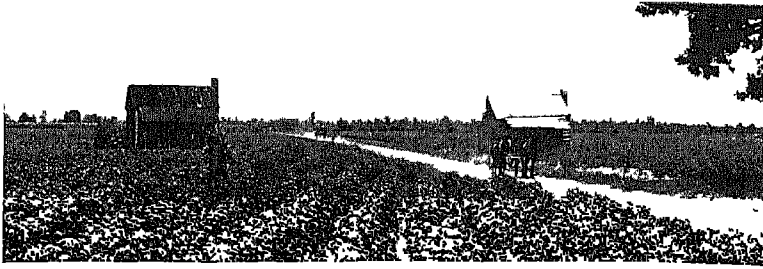
In 1880 this country had approximately one million farm tenants By 1935 there were nearly three million tenants During this 55-year period farm tenants have increased over 180 per cent while farm ownership has gained only 32 per cent The following table represents the proportionate gain in the number of tenant farms in our country

1880	25%
1890	28%
1900	35%
1920	38%
1935	42%

Farm tenancy has been on the increase in 41 states, especially in the South Mississippi takes the lead with 69 8 per cent of her farmers tenants

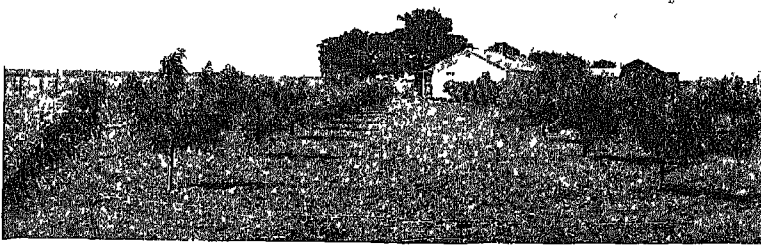
Farm tenancy may be attributed to several causes The depression made it impossible for the farmer to meet fixed charges and interest rates on land purchased at inflated prices Taxes, in most cases, were increased Many former owners of land were forced to become tenants Others remained in that class by choice, because of uncertain future conditions Farmers also abandoned their land because of dust storms, drought, soil erosion, or depleted soil conditions Others chose to become tenants in more fertile parts of the country Many moved on as migratory workers, or drifted to the cities

Tenancy affects the farmer because landlords are frequently interested only in securing an income from the rent They do not keep up their farms Some of the homes in which farm tenants live are no better than the slums of our large cities These run-down farms attract only the poorer tenant Short tenure causes the tenant to shift from

[1] *Statistical Abstract of the United States*, 1940

Farm Security Administration, photo by Lange

Farm Security Administration, photo by Shahn

Farm Security Administration, photo by Rothstein

The farm problem—One-crop tenant farm (top) Tenants without security, decent living conditions, health (center). Migratory workers forced to drift looking for enough work to keep body and soul together (bottom).

Farm Security Administration, photo by Marion Post Wolcott

Farm Security Administration, photo by Rothstein

Farm Security Administration, photo by Vachon

The federal government's solution—Farm ownership with decent living standard (top) Expert training in farm management and crop diversification (center) Health, security, and plenty of good food raised on the farm (bottom)

place to place. This disrupts farm home life and retards the education of thousands of children.

The growth of farm tenancy is one of the discouraging features of our agricultural system. The government has tried to encourage farm ownership by making loans at low interest rates with long time amortization plans.

In 1937, the President's Farm Tenancy Committee recommended these reforms: (1) improvement of the landlord-tenant relationship by strengthening leases, (2) encouragement of farm ownership by decreasing taxes on farm land, (3) setting up of a Farm Security Administration to purchase land for resale; this would enable suitable tenants to buy under long-term contracts with provisions for variable payments in good and bad years, (4) a continuation of the Farm Credit Administration with a rural rehabilitation program empowered to grant relief to unfortunate tenants.[1]

Farm ownership should be encouraged because it affords independence and security. Land ownership is an incentive to build a permanent home. Land ownership is the keystone of successful rural life.

The Share-Cropper. One of the most hopeless forms of agricultural life is that of the share-cropper. A "cropper" is a tenant who rents a small farm, usually in the cotton belt. He "makes a crop" and returns a share of it—usually one-half—to the landlord, who furnishes the land, a house, seed, tools, fertilizer, and a mule. The tenant pays the landlord interest for the things he borrows. If he purchases groceries and other goods on credit at the plantation store, this is deducted from his share of the crop. If the tenant is lucky he will break even at the end of the year. Quite frequently he is in debt. Most tenants live in miserable, insanitary hovels. Their families live on pork, cornmeal, and molasses. This deficiency diet causes pellagra and rickets.

Share-cropping is also found where tobacco and sugar-cane are grown. There are over one million white tenants and nearly 700,000 Negro tenants in the southern states. In Arkansas the average gross income of the share-cropper is about $210 for the year. The share-cropping system discourages thrift and responsibility and probably causes shiftlessness.

In 1936 the President's Farm Tenancy Committee found that the "cropper" lacks adequate security. He tries to make a living on depleted soil, with crude practices and inadequate farm machinery.

[1] Through the Bankhead-Jones Farm Tenant Act Congress appropriated 10 million dollars in 1937-38, 25 million dollars for 1938-39, and 50 million dollars for each year following to help tenant farmers to buy land with the aid of government loans.

This system deprives millions of people of the necessities of life, children are not properly educated, and the standard of living is generally so low that it seems a major achievement for them merely to stay alive. Should the mechanical cotton picker be adapted for general use, the share-cropper and his family may become one of the nation's outstanding social problems.

How Machinery Revolutionized Agriculture. The inventive genius of Americans increased farm productivity through the use of power

Farm Security Administration, photo by Rothstein

A mechanical corn picker at work. Machinery has had a profound effect on American agriculture.

and machinery. One of the earliest of these inventions was the cotton gin, which, for a time, made cotton "King." Later the iron plow, the hay-rake, and the first crude threshing machine were invented. Following the Civil War the mowing machine, the reaper, the grain separator, and the steam engine improved agricultural methods. The modern tractor displaced nearly 10 million horses and mules between 1918-1932.

Mechanical development of farm machinery has produced several beneficial results. The machine takes a lot of the drudgery out of farming. Farm labor is released for other purposes, since it is no longer

necessary to employ so many people to raise necessary foodstuffs In 1900 it required about three hours of labor to produce one bushel of wheat Today it requires three minutes of machine time A farmer can plant about 20 acres of wheat a day with a horse-drill, with a tractor he can plant 50 acres Two men can cut and thresh 50 acres of wheat with a tractor and combine in 10 hours A few years ago the same operation would have required 50 men It used to take the surplus food of about 20 farmers to feed one city person The same number of men today can produce enough to feed themselves, 56 non-farm people, and 10 people living abroad

Another example of increased farm efficiency is the more recent cotton picker It can pick 5,000 pounds of seed cotton in a day as contrasted to 125 to 150 pounds a day for the average field hand

The trend in agriculture appears to be in the direction of larger farm units, as the machine helps to reduce costs and increase farm incomes One of the large wheat farms in Montana has nearly 100,000 acres It requires over 200 skilled mechanics to operate and keep in repair over 50 tractors, 20 combines, 70 binders, 11 threshing machines, 500 plows, 60 wheat drills and numerous automobile trucks These corporate farms can raise wheat at 50 cents a bushel and still make a profit

The small farmer finds it difficult to compete with large-scale production Agricultural machinery is costly and not easily adapted to small farming Hence, the small farmer's yield is more costly Some critics believe that small farming is doomed, that large farms, organized on the basis of mass production, can be operated more efficiently under trained management If technological trends point to collectivization of agriculture, there is danger of creating an American peasant class The unskilled farm worker will become a migratory worker, or drift to the urban centers Large-scale production may be a threat to the independence of the American farmer

How the Government Aids the Farmer

The Department of Agriculture. One of the most important of our governmental agencies is the Department of Agriculture It employs many experts who conduct scientific investigations for the farmers' interest and welfare It publishes the results of its experiments and researches and makes this literature available for the farmers' use. Important work of the department is carried on by nine bureaus [1] In

[1] (1) CCC Activities, (2) Plant and Operations, (3) Agricultural Chemistry and Engineering (4) Agricultural Economics, (5) Agricultural Marketing, (6) Animal Industry, (7) Entomology and Plant Quarantine, (8) Home Economics, and (9) Dairy Industry

addition, there is the Soil Conservation Service, the Forest Service, the Food and Drug Administration, the Farm Security Administration, the Office of Experiment Station, the Agricultural Adjustment and the Commodity Exchange Administration

The major task of the Department is scientific research Specifically, these are the things it does (1) research, (2) extension and information, (3) eradication or control of plant and animal diseases and pests, (4) service activities, such as weather and crop reporting, and (5) administration of regulatory laws.

Services of the Department Here are some of the services which the Department of Agriculture gives to the farmer

The cotton boll weevil destroys an average of nearly 200 million bales of cotton every year. For more than 20 years the Bureau of Plant Industry conducted experiments which have now resulted in producing an early maturing cotton, which escapes the ravages of the boll weevil

It has conducted experiments to combat the Hessian fly which destroys about 48 million bushels of wheat each year It has helped distribute new varieties of wheat, called Ceres and Marquis These varieties have shown great resistance to rust and drought They have increased the crop from 50 to 55 million bushels over that produced on the same acreage with older varieties

The Department encourages the growth of soy beans In 1925 we produced about 5,000,000 bushels Ten years later our crop reached 40,000,000 bushels The soy bean has value as a soil builder and is immune to chinch bugs It grows well in dry seasons Its industrial uses include the manufacture of paints, enamels, varnishes, lard and butter substitutes, soap, printer's ink, insecticides, and disinfectants

The department has reduced tuberculosis among cattle from 4 per cent to less than ½ of 1 per cent Efficiency methods have proved beneficial to cattle breeders Registered Shorthorn steers in controlled experiments have required as few as 373 days—as against 566 days for others—to reach a live weight of 900 pounds This difference helps cattlemen secure greater returns

The same is true of chickens The average hens in flocks throughout the country produce only about 80 eggs a year according to a census estimate Superior flocks of progeny-tested birds produce more than 200 eggs a year

When the citrus industry of California was threatened with fluted scale, entomologists from the Department imported a beetle called the ladybird from Australia This insect destroyed the scale Whole

colonies were bred and distributed throughout the state In a short time the scale was under control and practically exterminated

Explorers from the Department seek valuable new plants in all parts of the world For example, Tung-oil trees and soy beans have been brought from China, the early ripening Satsuna orange from Japan, Acola cotton from Mexico, grass from Sudan, walnuts from Persia

The Department forecasts floods, storms, and frosts, it protects forests from fires, it preserves wildlife, it issues crop and market reports Your coffee and tea must pass the Department's inspection at ports of entry It examines consumers' articles, such as toothpaste, and prohibits dishonest labels These are only a few of the functions performed by the Department of Agriculture

The Agricultural Adjustment Act. In 1933 Congress passed the Agricultural Adjustment Act Its purpose was to increase the prices of farm commodities by limiting production of such basic products as wheat, cotton, field corn, hogs, rice, tobacco, and dairy products This list was later extended to include rye, flax, barley, cattle, potatoes, and peanuts.

The Secretary of Agriculture made contracts with growers to limit the average acreage planted within a given period Land that was withdrawn from production could be utilized for soil-building, and non-competing crops, or for raising food and feed for home consumption

In return for limiting his production the farmer received benefit payments This money was raised by assessing a processing tax[1] on farm products prepared for market For example, the miller who ground wheat into flour was taxed 30 cents a bushel The manufacturer who spun raw cotton into cloth for household dresses was taxed 4½ cents a pound The consumer paid this difference in higher prices for bread, meats, and clothing

Since farm prices had created an emergency in 1933, the government undertook drastic action A percentage of cotton and tobacco, which was already growing in the fields, was ordered to be plowed under Thousands of pigs and brood sows were slaughtered to help reduce surpluses There was a violent public reaction to this destruction of the abundance of nature, when thousands of poor people were suffering and in need Early in 1936 the Supreme Court, in the famous Hoosac Mills Case, declared the AAA to be unconstitutional

[1] The government collected over 500 million dollars in processing taxes and up to the summer of 1938 it paid nearly 600 million dollars to farmers in benefit checks

Soil Conservation and Domestic Allotment Act. Congress continued its efforts on behalf of the farmer by passing the Soil Conservation and Domestic Allotment Act The Secretary of Agriculture was to make benefit payments to farmers to carry out a soil improvement program One of the purposes of the law was to retire 30,000,000 acres of land from producing crops for export, and put it into soil-building crops This was to be a temporary plan, operating for a period of two years After January 1, 1938, a permanent system was to be established, whereby the states would develop their own production programs, subject, of course, to federal approval

The Second Agricultural Adjustment Act, 1938. The purpose of this new farm bill was to regulate the production and prices of five major crops—wheat, corn, cotton, tobacco, and rice by a direct grant. This law made the following provisions

1 *National Acreage Allotment.* The Secretary of Agriculture set up an annual national acreage allotment for each crop, based on production during the last five years The national acreage allotment for wheat in 1938 was set at 62,000,000 acres compared to 68,000,000 acres under cultivation the previous year. Farmers are not compelled to reduce their acreage, but if they do not cut their acreage they cannot get conservation payments, government storage loans, or crop insurance The goal in limiting the acreage is to produce just enough food for domestic and export markets, with a normal carry-over This program encourages good land use, it permits the farmer to take the land withdrawn from production and plant it with soil-restoring crops such as soy beans and grass

2. *Storage Loans* The farmer may need some cash while holding his crops for higher prices If prices on June 15 are less than 52 per cent of "parity" prices,[1] or if July crop estimates forecast a bumper crop, the Secretary can make loans of from 52 per cent to 75 per cent of the parity prices The grower in turn stores part of his crop If market prices reach parity the crop stored may be sold and the government loan repaid The government stands the loss of the loan, if the crop is ultimately sold at less than parity

3. *Marketing Quotas* When farm prices are threatened by surpluses greater than we need, the Secretary of Agriculture can order a referendum of growers to decide if crop acreage is to be reduced If two-thirds of them vote to approve restrictions, each grower will withhold a percentage of his crop from the market If he sells more

[1] Parity prices are set by the Secretary of Agriculture If he decides that 100 bushels of corn should buy a plow worth $50, then the parity price of corn is 50 cents a bushel

than his quota, he pays a penalty tax. Non-co-operators will get only 60 per cent of the rate offered to co-operators for carrying out soil conserving practices. It is claimed that this new plan offers economic democracy for agricultural control rather than governmental regimentation.

Farm Security Administration, photo by Rothstein

This farmer's corn crib bears an ever-normal granary seal which means that the corn is being held as part of the federal government's ever-normal granary plan.

4. *Crop Insurance.* Crop insurance applies only to wheat growers. The farmer is offered protection against losses due to drought, floods, hail, insects, or disease. Premiums are paid in advance by the farmer with grain produced in surplus years. This grain is held as a reserve supply in the "ever normal" granary, and is used to pay farmers in cash or kind for losses sustained in bad years.

5. *The "Ever Normal Granary."* It is the aim of the Department of Agriculture to create a balance of food products within the nation from year to year. In 1932 the nation's granaries were bursting with surplus wheat. The market price was only 30 cents a bushel. Corn was

so plentiful that it was burned as fuel In spite of this abundant supply of food, there were people in the nation who were hungry because they had no money with which to buy food[1]

In 1933-34 the situation was reversed The Triple A helped to create some scarcity Wheat and corn fields were scorched by the hot sun Droughts were severe and livestock died for want of water City people were forced to pay higher prices because of food shortages Hogs which sell for $3 00 a hundred pounds are ruinous for the farmer If they sell for $13, the consumer cannot afford to buy pork A balance price of $9 00 is better for both The purpose of the "ever normal granary" is to keep on hand larger reserves of food and feed, that we may avoid surpluses one year and shortages the next

The Farm Credit Administration. In 1933 the President was authorized by Congress to consolidate the agricultural credit agencies into one unit known as the Farm Credit Administration At the head of this organization is a governor, and four commissioners, appointed by the President A commissioner heads each of the following: Land Banks, the Intermediate Credit Banks, the Production Credit Corporation, and the Co-operative Banks

The United States is divided into 12 farm bank districts In each district there is a Federal Land Bank, a Federal Intermediate Credit Bank, a Production Credit Corporation, and a Bank for Co-operatives Each is located in the same city and has the same board of directors

1 *The Federal Land Banks* These banks were organized in 1917 and are controlled by a board of seven directors The purpose of these banks is to make loans on land at low rates of interest and long-term, amortized mortgages Money borrowed shall not be less than $100 nor more than $50,000 Mortgages shall not run over 40 years nor less than 5 years Interest rates are 3½ and 4 per cent Loans may be made to farmers for the purchase of land, livestock, equipment, improvements, or buildings Loans cannot exceed 50 per cent of the land value By 1935 the land banks had extended over two billion dollars worth of loans, of which $450,000,000 were delinquent

2 *Federal Intermediate Credit Banks* Intermediate loans are made directly to production credit associations, livestock companies, agricultural credit corporations and banks for co-operatives The loans mature in a period not less than six months or more than three years. These banks extended over two and a half billion dollars in loans from

[1] By the end of 1935 the Federal Surplus Commodities Corporation had distributed for relief nearly 300,000,000 pounds of pork, 60,000,000 pounds of butter, 18,000,000 pounds of cheese, 15,000,000 pounds of dry skim milk, 50,000,000 pounds of evaporated milk, in addition to large quantities of fruits and vegetables

1923 to 1935, of which nearly one billion went to co-operative organizations

3 *Production Credit Corporations* These corporations were created under the Farm Credit Act of 1933 They help to organize farmers' productive credit associations which in turn help farmers to secure loans

Productive credit associations may be organized by 10 or more farmers who desire to borrow for production, i e , to harvest crops, for the production of livestock, to buy farm implements, or to improve farm buildings Liens are given in the nature of a first mortgage on growing crops, livestock, and personal property

4 *Banks for Co-operatives* The Farm Credit Act of 1933 also created a Central Bank for Co-operatives and twelve regional banks in the various federal districts These banks make loans to agricultural marketing and service co-operatives

Farmers have been successful with co-operative marketing There are over 11,000 organized co-operative marketing and purchasing associations in the country, whose combined membership is over two million farmers They do a business of about two and a half billion dollars annually Among the largest of these are the California Fruit Growers' Exchange, the National Cheese Producers' Federation and the Land O Lakes Creamery Corporation The Farmers' National Grain Corporation is an outstanding grain co-operative

There are still thousands of farmers who depend upon local commercial banks for credit These local banks are sometimes unstable, they charge high rates of interest and are primarily interested in profits The government grants liberal credit so that money may be made available as a benefit and service to the farmer when his local bank is unwilling or unable to make practical agricultural loans

Rural Electrification In 1936 Congress passed the Rural Electrification Act with an appropriation of $40,000,000 annually until 1946 The purpose of the law is to aid in the electrification of farms Loans may be made to farmers, state and local governments, co-operatives or limited-dividend corporations Farmers secure loans through local associations for building electric lines, wiring of homesteads, and for purchasing electrical appliances

In 1935, 11 6 per cent of American farmers had electric power available for use Electricity helps the farmer with feed grinding, operating milking machines and cream separators, cooling and pasteurizing milk, refrigeration, and pumping water for irrigation On poultry farms incubators and brooders may be heated with electricity

Rural electrification can help to bring the farm home up to the standards of the twentieth century living we have come to expect in our cities

Conclusion Agriculture is one of the nation's most important industries Over 30 million farm people produce our food and provide materials for our clothing Farm prosperity is therefore vital and essential to the welfare of the nation

Many contributing factors have kept the farmer from making an adequate income During the depression he was unable to meet his obligations because of low prices Mortgage foreclosures forced many farmers to become tenants after losing their holdings Tenant farming is an unhealthy economic situation because it destroys the farmers' independence We are also beginning to recognize that rural slums and share-cropping are social evils that must be corrected

Our government recognized the plight of the farmer, who seemed helpless to improve his own condition It presented him with a land-use program By practicing the principles of soil conservation, it was possible to withdraw land from crop production and plant it to soil-building crops Cutting down the acreage reduced surpluses, which helped to stabilize prices The government gave the farmer aid by granting him liberal credit Co-operative marketing was also encouraged through financial assistance

We cannot neglect the farm problem any more than we can ignore the problems of labor and industry The activities of each are essential to society There must be a constant effort to bring about a balanced economy between the people living in the country with those living in the cities The farmer, like the laborer and the business man, must be given an opportunity to live by the fruits of his labor No lasting industrial prosperity can be built on a bankrupt agricultural economy

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest Federal Farm Board, Reciprocal Trade Agreements, farm tenancy, Bankhead-Jones Farm Tenant Act, Farm Credit Administration, Agricultural Adjustment Administration, National Acreage Allotment, storage loans, marketing quotas, crop insurance, the ever-normal granary, Federal Surplus Committees Corporation, Federal Land Banks, Banks for Co-operatives, Land-Use Planning, parity price

INFORMATION, PLEASE!

2. **a.** Why is it necessary for the farmer to make a reasonable profit? **b.** How did the recent depression affect the farmer? **c** How did the government try to aid the farmer in the nineteen twenties? **d** What is the relation of American farm prosperity to advantageous foreign markets? **e** Describe Reciprocal Trade Agreements **f** Show how modern science has helped the farmer to increase his output of crops **g** The American farmer has not received his proportionate share of the national income Why? **h.** Describe the problem of farm tenancy Explain how the "share-cropping" system works **i.** How has agriculture been affected by farm machinery? **j** Show how the Department of Agriculture aids the farmer **k** Compare the AAA of 1933 with the Soil Conservation and Domestic Allotment Act **l.** Describe how the AAA of 1938 aids the farmer **m.** Explain the work of the Farm Credit Administration. **n.** What is meant by rural electrification?

CAN YOU THINK?

3 **a** The farmer's problems are largely due to the low prices he receives for agricultural products, and the high prices he pays for manufactured goods Explain **b.** The farm problem will not be solved until there is international co-operation among nations Why? **c** Agriculture and industry must be *co-ordinated,* because they are mutually interdependent Explain **d** Our government sought to reduce surpluses, thereby increasing prices, by plowing under cotton and killing pigs Was this policy justifiable when so many people lacked food? **e.** High prices for agricultural products are beneficial to the farmer, but detrimental to people in the city Low prices are detrimental to the farmer but beneficial to city dwellers Will it ever be possible to reconcile these two positions?

WE LEARN BY DOING

4 **Committee.** Divide the class into small committees Let each group investigate one of the following topics The chairman of each committee can summarize the findings and report to the class (a) farmer's co-operatives, (b) the share-cropper, (c) 4-H Clubs, (d) the American Farm Bureau, (e) the food stamp plan, (f) rural electrification

5 **Graphs** Let individual students each make a graph of one of the following topics (a) our present farm population, (b) tenure and size of farms, (c) value of farm property, buildings, machinery, livestock, (d) principal crops grown in the United States, (e) farm income Consult the *World Almanac,* 1941, 609-12

6 **Interview.** Interview five farmers of your acquaintance Learn what

you can about their attıtude concernıng the government farm program Summarize the results and report findings to the class

7 **A Reported Interview** Visit your county agent Ask him about his duties Find out if there is a Land Planning Board in your county and what its functions are Also inquire if the Soil Conservation District law is in effect Has the government advanced credit to the farmer? Find out if your county has farm co-operatives and how they function What aid is given to farmers by agricultural colleges and land-grant schools?

8 **Research Activity.** Make an investigation to show how science aids agriculture Consult *Enter The Cotton Picker*, *Reader's Digest*, Oct, 1936, *Science Remakes the Farm*, *Reader's Digest*, March, 1936, *Science Serving Agriculture*, Superintendent of Documents, 1937, *Two Men and Their Machine* (Cotton Picker), *Survey Graphic*, August, 1936, *Steel Serves the Farmer* (pamphlet American Iron and Steel Institute, 350 Fifth Avenue, New York City)

9 **Panel Discussion** "It is undemocratic for the government to subsidize one group of its citizens at the expense of all taxpayers, hence, it should revert to a *laissez faire* farm policy and let the farmer work out his own destiny"

WE READ FROM OTHER BOOKS

10 **General Readings.** *Achieving a Balanced Agriculture*, 1940, Superintendent of Documents, Washington, D C, *The Farm Business*, 1935, American Primer Series, University of Chicago Press, *Farm Policies Under the New Deal*, Superintendent of Documents, *The South's Place in the Nation*, Public Affairs Pamphlet, No 6, *Farmers Without Land*, Public Affairs Pamphlet, No 12, *Adrift on the Land*, Public Affairs Pamphlet, No 42, *Restless Americans*, Public Affairs Pamphlet, No 9

11 **Opportunities in Agriculture** Consult H P Anderson, *Your Career in Agriculture*, E Davenport and A Nolan, *Agricultural Arts*, A K Getman and P W Chapman, *The Young Man in Farming*

12 **Great Discoveries in Agricultural Science** Consult Paul DeKruif, *Hunger Fighters*, L S Ivins and A E Winship, *Fifty Famous Farmers*

13 **The Share-Croppers** Consult M Bourke-White and E Caldwell, *You Have Seen Their Faces*, A MacLeish, *Land of the Free*, A F Raper, *Preface to Peasantry*, Parts II and III

14 **The Department of Agriculture.** Consult F J Haskin, *The American Government Today*, chaps xv, xlii, and xlv, F A Magruder, *American Government* (1941 ed), chap xv, A Robertson, *The Government at Your Service*, chap viii

15 **Popular Readings** Consult Dora Aydelotte, *Trumpets Calling*, Ralph Borsodi, *Flight from the City*, Luther Burbank, *Partners of Nature*, Willa Cather, *O Pioneers*, O E Rolvaag, *Giants in the Earth*, M I Ross, *Morgan's Fourth Son*, C A Smart, *R.F D*

CHAPTER 31

CONSERVATION OF NATURAL RESOURCES IS AN OBLIGATION TO THE DEMOCRACY OF THE FUTURE

★★★

We have not been good husbandmen of our natural resources We have used land, the forests, and the minerals as if they could never be exhausted Slowly within the last half century we have realized the grave danger of this tragic waste. Today conservation is one of the great challenges of democracy.

★★★

Land and Forest

Why the Land Is Important. The land is our basic resource It has always been an important factor in man's attempt to gain a livelihood It is from the soil that we get our timber, our water, and, above all, our food We could do without iron, oil, coal, or electricity, but without the thin and fertile skin of soil that makes the surface of our world, life for man would be impossible

In the early days of our Republic it was generally believed that the public lands would not be fully occupied and used for 500 years. The fertility of the farm lands in the United States seemed "inexhaustible" Hence, the pioneers reaped the fruits of the land by mining the soil When the land no longer paid, because its fertility was exhausted, they moved on to new virgin fields Today we find that the frontier has disappeared In less than 300 years good farm land available for homesteading has all been taken up

The great industrial expansion after the War between the States changed agriculture Formerly the farmer cultivated the land largely for his own use The phenomenal growth of cities created a demand for foodstuffs, which led to commercial farming The farmer now had a new motive, other than supporting his family He began to raise cash crops that could be sold for a profit The tendency was to rob the land to make these profits This has created a national problem that has seriously impaired the economic and social security of millions of farm people Much of the land has lost its virgin productivity, its life-giving power has been eaten away by soil erosion and soil depletion A recent survey revealed that the United States has approximately 100,000,000 acres of unproductive farm land. It should

be a matter for serious public concern, when millions of farm families, living on worn-out, gullied, eroded, and lifeless farms are destined to lead impoverished lives It is a matter for public concern when the existence and growth of this condition challenges the very existence of democracy Recognizing the plight of the farmer, our government has set up a farm policy to encourage a balanced agriculture This national farm program is trying to achieve an economic balance

Farm Security Administration, photo by Lee

Black blizzard—North Dakota There has been no more dramatic sign of our diminishing soil resources than these great dust storms of the plains states.

which will create a balance of nature This latter balance is essentially conservation

Continuity as a Major Problem of Conservation. The conservation program of the government is an effort to show the farmer that it is profitable to follow good land-use practices The farmer, however, must co-operate with the government by following through on the conservation program For instance, payments made for soil conserving practices under the Agricultural Adjustment Act are for work accomplished in any current year A farmer gets a government allowance for using lime on his soil Liming improves soil fertility and encourages growth resistant to erosion Under the present law the farmer can put on lime one year, and plant his land to corn the next year This leaves the land open to even greater erosion There is no way the

AAA can safeguard its investment made for soil conservation The farmer can easily undo all the good which the payments may have provided The problem is to work out a method whereby the farmer can continue conservation on a permanent basis, whether he is paid or not

The federal government has used its mortgage program as a means of insuring some continuity It lends money with the provision that soil conserving practices will be carried out on the land as long as the loan is unpaid Hence, the government protects the productive value of the land and insures a long-term conservation program The government can control conservation to a great extent as long as there is an annual program of payments for crop restriction

The work of the land-use agencies has been unified in a program worked out by the Bureau of Agricultural Economics Some states have passed enabling acts which permit farmers to set up Soil Conservation Districts (see Chapter 24) When a land-use program has been initiated by a local committee within this district, and approved by a majority of land occupiers or owners, it is then checked and approved by county and state committees From there it goes to the Bureau of Agricultural Economics, which adjusts the local plan to the goals of the nation These plans are then turned over to the proper agency for administration [1] You can readily see that through land-use planning the needs of the farmer are harmonized with those of the nation

As one author has put it, "Thus America begins its greatest experiment in democracy The basis of this experiment is control of the land It is no longer possible to discuss whether or not we believe in land control Land control is here It didn't come with any political party, or any particular group of men It came from necessity It was a case of either stopping the destruction of the land or letting the growing burden of wasted land destroy us"[2]

The Forest Problem. Our forest problem may be summed up as follows (1) We must not waste a valuable resource by cutting more timber than is being replaced by normal growth. (2) We must perpetuate and protect the forest resources of the nation to provide for the needs of future generations (3) With proper use, our forests should furnish constant supplies to the wood using industries (4) Our forests, under scientific management, can be maintained as a valuable economic asset

[1] These are the Agricultural Adjustment Administration, the Soil Conservation Service, the Forest Service, the Bureau of Public Roads, and the Farm Security Administration

[2] Ayers Brinser, *Our Use of the Land*, New York Harper & Brothers, 1939, p 284

The virgin timber of our country was both a blessing and a curse to our forefathers They used wood for building purposes, for fuel and for fence rails to enclose their fields You can still see old houses, here and there, with walnut doors, and paneled wainscoting made of quartersawed oak The wide siding of many huge barns testifies that

Farm Security Administration, photo by Rothstein

This is what the forest cover of the United States once looked like. Today there are few remaining patches of old growth timber like this area in New York State.

poplar trees were once abundant So scarce is most of this timber today that it is no longer used for these purposes

Originally our virgin forests covered 820,000,000 acres—nearly a third of our total land area Today only 495,000,000 acres remain Trees were in the way of early settlers who wanted to raise crops Besides, they formed a harbor for Indians and wild animals Hence, the forests were ruthlessly cut down and burned It was a mistake to destroy completely the timber on the poor soil If only the mature

trees had been harvested, the land would have produced a sustained yield for many years

With the growth of cities and towns in the early nineteenth century, a new market was created for lumber products White pine came into great demand for its commercial value This helped to spread the lumber industry from New England to the Great Lakes region Later

Farm Security Administration, photo by Lee

This is what the lumbermen left of the great white pine forests of Michigan.

the lumber industry moved to the pine forests of the South, and then on to the Douglas fir forests of the Pacific Northwest

While cutting and slashing the choice trees, the young growth was destroyed Such practices are not in keeping with sound principles of forestry because of the waste entailed The Forest Service of the Department of Agriculture reported in 1929 that the state of Michigan originally had a stand of 380 billion board feet of saw timber [1] Today there is only 28 billion board feet remaining In parts of the state the timber destroyed by fire was greater than the amount cut

The real problem is what to do with the cut-over land which has no agricultural value Much of it is tax-delinquent and communities

[1] Katherine Glover, *America Begins Again*, New York McGraw-Hill Book Company, 1939, p 149

which once supported the lumber industry are now only ghost towns

Enemies of the Forest. 1. *Fire* It is estimated that the loss of timber from forest fires amounts to $50,000,000 each year These fires, either surface or crown, originate from various sources, such as lightning, incendiarism, carelessness, and industry The most common cause is carelessness on the part of campers and those who work in the woods One-half of the fires which resulted in the loss of 38,500,000 acres in 1927 were caused by human carelessness Since 90 per cent of these fires are caused by people, prevention can best be accomplished by education

2 *Forest Insects and Diseases* It is estimated that forest insects cause a yearly loss of $100,000,000 by retarding the growth of trees, and by damaging and destroying lumber and wood products

Methods of control are being developed by the Bureau of Entomology aided by the Forest Service. Federal and state quarantine laws have been passed to prevent the importation of any more injurious insects and fungi Millions of dollars are being spent in research in an effort to control these silent forest destroyers

Sustained Yield Management. The order of the day in the timber industry used to be "Cut out, burn out, get out" Lumbermen experienced a temporary boom as long as the trees lasted To assure a wiser use of timber resources, foresters have developed a system called sustained yield management This means that only as much timber is cut as can be replaced by normal growth each year The mature trees are harvested as a crop, in contrast to the practice of slashing the entire forest Timber, therefore, becomes a capital investment which yields a productive income to its owner This system of forest management has long been in use in European countries Sustained yield management produces a more economical use of a valuable resource Over a period of years greater profits result from this method of lumbering than from clear-cutting the whole crop and then replanting the depleted area Sustained yield management also produces a covering for the soil and assures a source of raw materials to wood using industries This in turn makes possible a more stabilized community

Taxation of the Forests. Because forest lands are taxed as agricultural lands, few owners can afford to practice sustained yield management They figure that the timber grower is being penalized for co-operating in carrying out a conservation program. If the owner cuts his timber on the basis of sustained yield management, the return on his capital investment comes in slowly over a long period of time

But interest charges, taxes, and other costs continue to go on Thus, by selling everything at once and taking an immediate profit, these costs are avoided and the net return is higher The land can then be sold or turned over to the state for taxes

A number of states have enacted special tax legislation to encourage the holding of productive timber resources One such plan reduces the taxes each year until the timber is cut. In another plan no taxes are collected until the timber is cut In still another, the taxes on timber land are lower than on land used for agricultural purposes

What Are Our Timber Resources? A nation cannot continue to cut its timber for over a century without reaching a point where it is necessary to strike a balance in its timber budget Men interested in conservation have long recognized that the nation has sorely needed a definite forest policy Acting accordingly, Congress in 1928 appropriated $3,000,000 for making a comprehensive survey of prospective timber, forest products and timber supplies in the United States The survey is also to determine the present and future productivity of forest lands It will require from 12 to 15 years to complete this task

It is not possible to formulate a policy of forest management unless we know industrial needs and changing forest conditions Finland completed such an investigation in 1924, Sweden in 1929, and Norway in 1930. These countries consider adequate forest resources necessary to their national welfare

The United States Forest Service The United States Forest Service in the Department of Agriculture is concerned with preserving and developing the forest for the benefit of mankind—supervising the cutting and sale of public timber, preventing erosion of soil, regulating stream flow and water supply for irrigation, for power, for domestic use and for control of floods, preserving wildlife, and providing opportunities for outdoor recreation

The Forest Service is operated by trained men who supervise the cutting and sale of timber in 160 national forests, with an area of about 175,000,000 acres They apply scientific principles of silviculture (the science of producing and caring for a forest), so as to insure further growth and production of timber for future use

The Forest Service also controls about 82,500,000 acres of range land Grazing permits are granted to settlers and stockmen to pasture about 12,000,000 head of domestic animals annually on the range and in the national forests

This division of the government is also charged with the protection

of our watersheds composed of forests, grasses, and brush covering the mountain ranges. The rain and snow, if properly conserved, create valuable water supplies used for domestic, industrial, and irrigating purposes.

The Forest Service further provides opportunities for outdoor life and recreation. The number of people who visited the national forest playgrounds was increased from 3,000,000 in 1917 to about 30,000,000 in 1937. Available areas are provided with roads and trails, campgrounds, water facilities, fireplaces, and comfort stations.

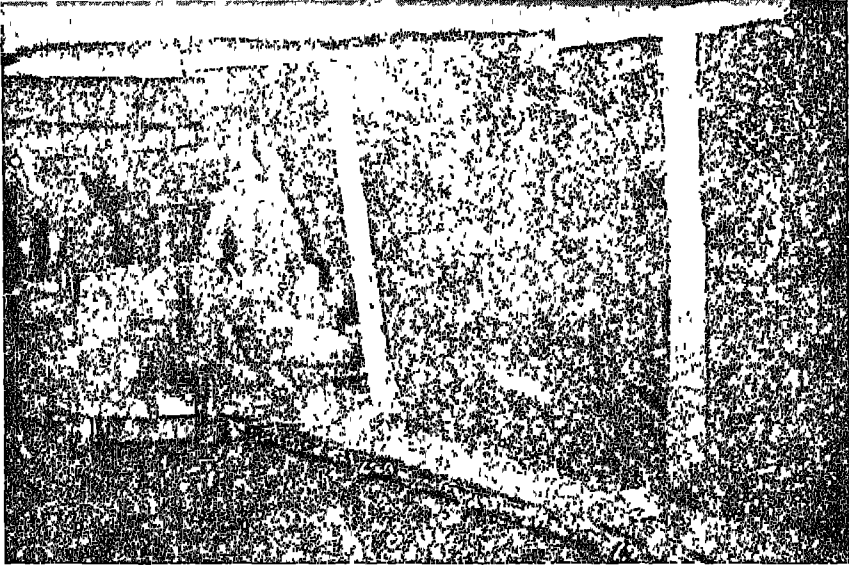
The Forest Service also preserves and restores one of America's basic resources—wildlife. The national forests are made a sanctuary for our largest game. The streams and lakes are abundant with fish. It is estimated that regulation has increased our big game over 140 per cent in the last 20 years. Congress has set aside a number of game refuges and bird sanctuaries within our national forests for the protection of wildlife.

The research activities are also carried on by the Forest Service in experiment stations. The Forest Products Laboratory is located at Madison, Wisconsin. Here scientists study the various uses of wood properties and try to find new ways in which it can be employed.

A Forest Program for the Future. The National Resources Board suggests several methods by which our national forests and their many resources can be conserved through proper management. (1) They can be saved by locking them up, and permitting no commercial uses of resources from the public domain. (2) Another plan would be to permit a greatly restricted use—one that would in effect lock up most of the resources of the forest. (3) The third plan is multiple-use plan. A certain percentage of trees can be cut each year without destroying the future potentialities of this resource. In addition, the recreation, grazing, watershed protection functions of forest land could also be fully developed. Multiple-use is a recognition of the fact that a forest is not just so many trees to be cut for timber. The principle of multiple-use can be extended to forest, range, and to those lands which remain in private ownership.

Our Mineral Resources

How Our Coal Is Wasted. Coal has been called a "sick industry." Under the pressure of the First World War, the demand for coal was as great as the cry for grain. New mines were opened and operated. Then came the post-war slump and cut-throat competition. The industry has never fully recovered.

Our coal resources have been misused and wasted because operators have lacked foresight and also because the introduction of oil has made the profitable mining of coal difficult One of the most serious abuses of our coal reserves comes from strip- or open-pit mining Where the coal seam lies near the surface, the overlying rock or dirt is removed with power shovels Open-cut mining recovers a large percentage of the coal but dissipates the soil surface In many cases the

Farm Security Administration, photo by Rothstein

A mechanical coal cutting machine in an Illinois mine American heavy industry still depends on coal for fuel to keep its great furnaces and turbines in operation

remaining land has no value for agriculture Over 30,000 acres of land have thus been devastated by such mining practices in the eastern states, and the Mississippi Valley. A total of over 180,000 acres is suitable for strip-mining in Illinois alone

One of the reasons coal is wasted is because in bad times it is uneconomic to mine poor deposits Only the best veins are mined Large quantities of coal are left underground The sides of the abandoned mines cave in, the roofs fall down, and the beds fill up with water, making it impossible to reclaim the thinner veins of coal Many of these pits will never be reopened It is estimated that we waste 150,000,000 tons of coal annually, almost enough coal to satisfy the yearly needs of the German Reich. The United States Bureau of Mines has calculated that in 1929 we wasted 35 per cent of our mined bituminous coal, two-thirds of which could have been saved by scien-

tific methods. In anthracite mining the loss is greater. For every ton of coal mined, one ton is lost—a recovery of only 50 per cent. The waste of coal in western European countries from mining practices results in a loss of only 5 to 10 per cent. From 1923 to 1932, 4,802 mines were shut down in the United States because of bankruptcy and ruthless competition. In 1936 we mined about one-half of the world's supply of coal—nearly 490 million tons. It is estimated that our bituminous (soft) coal supply should last for 4,000 years, though our anthracite (hard) coal may not continue for more than 200 years. We need to conserve our anthracite, or find other resources as substitutes to take its place.

The Social Consequences of Bad Mining Practices. Coal mining was once considered a most hazardous occupation. Until the Bureau of Mines was created in 1910, many lives were lost each year, from accidents such as explosions, cave-ins, and gas. The watchword of Uncle Sam's Bureau has been economy, efficiency, and safety. The scientists of the Bureau have developed explosives of the short flame variety, now considered safe for mining purposes. Miners are also given the Bureau's safety course in first aid and rescue methods. However, the accident rate in mining is still higher than the rate for most industries.

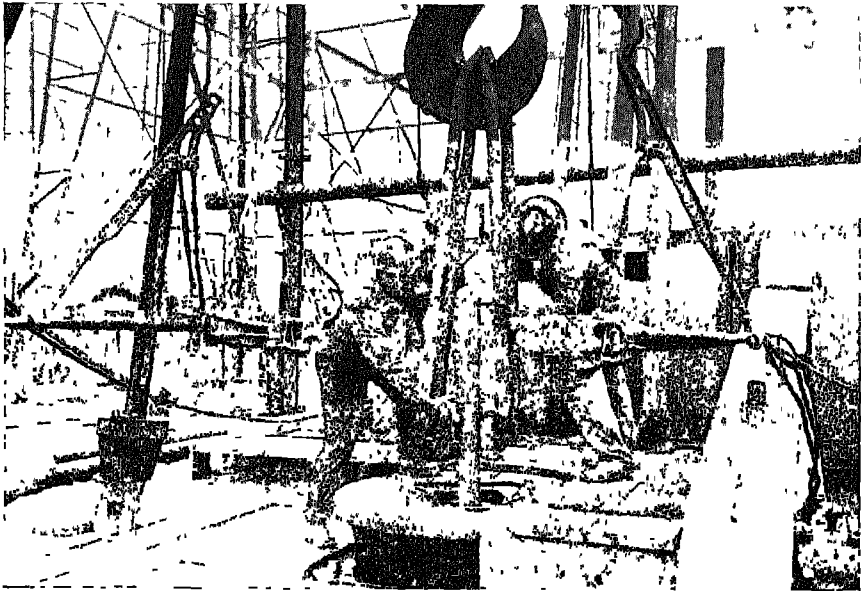
One needs only to visit a company mining town to see that miners' families are subjected to conditions as bad as those of slums in large cities. Living standards are low, for the average miner worked only 164 days annually from 1930 to 1933 inclusive. The average has not been over 200 days for years. There has been a decline, since 1923, of 247,000 men employed at the bituminous mines. Such conditions are partially due to improved methods of mining and relentless competition among operators.

Most of us are also familiar through newspaper accounts of the industrial warfare carried on in the bituminous industry, especially in Kentucky and southern Illinois. The national government has sought to regulate some of these conditions through legislation.

What Is the Solution? Private operators find it hard to practice the principles of conservation under the competitive system. Orderly mining processes are defeated because there is a lack of co-operation in the industry. The competitive system encourages overproduction, which causes wide fluctuation in prices. When the market is flooded, retrenchment causes unemployment. The frequent industrial conflicts between producers and employees has not helped to return fair

profits to the owner, nor has it given a fair standard of living to the miners.

It has been suggested that the coal industry be nationalized under public ownership Under a national plan we could measure the needs of the nation, and produce according to those needs It is questionable whether the problem can be solved by the nationalization of this one industry A long range program would necessarily have to include a study of the other related industries, such as oil, natural gas, and hydroelectric power The methods of distribution and transportation of coal are an added factor Some savings could be effected by creating industries and power plants nearer to the source of the coal The conservation of coal involves too many factors to attempt a solution without considering future plans

Our Shortage of Petroleum No program for the conservation of natural resources can be complete without a consideration of our

Farm Security Administration, photo by Lee

Preparing a new oil well for pumping.

petroleum resources, for the United States is depleting its reserves more rapidly than any other country. In 1900 we produced less than 65 million barrels of crude petroleum, in 1937 we produced one and a quarter billion barrels, or about 70 per cent of the world's output We exported $384,000,000 worth of petroleum products in 1939

The oil industry employs trained scientists who rely upon geology

and physics to make their predictions These men have explored this country quite thoroughly for evidences of oil They predicted that our known reserves are from 13 to 15 billion barrels However, the only sure test known is to strike oil by drilling But at the rate we are consuming petroleum products, the nation may be facing a serious crisis from the shortage of petroleum

The great demand for petroleum products, together with pioneer methods of expansion, has produced many wasteful practices in this industry Too many wells have been driven in flush producing areas As a result, such fields are developed more rapidly than the demand for oil warrants One outstanding example of such practices is the crowding of derricks on the state capitol grounds in Oklahoma City

There is another wasteful practice of permitting natural gas to escape from oil pools The National Resources Board estimates that a billion cubic feet of natural gas is being blown away daily "That is gas enough," says the board in its report, "to supply the United Kingdom twice over It is forty times as much gas as all the Scandinavian countries use together" Most of this waste occurs in Texas, where the gas blown away is equal to 60 million barrels of petroleum, or 24 million tons of soft coal annually

There is also an enormous loss of oil and gas from the "shooting" of "gusher" wells A gusher is created by drilling through the rock cap, or dome over an oil pool This is accomplished by dropping high explosives into the casing of the well The oil is sometimes blown several hundred feet into the air and most of it is wasted The well may run several weeks before it is capped

One authority estimates that for every barrel of oil taken from the ground, five barrels of oil remain in the well which cannot be recovered This is caused by inefficient equipment, and by permitting water to get into the well so that the oil seeps into the rocks with the water Other wastes are caused by leaks, fires, and evaporation from outdoor tanks and oil pools Oil fields are often closed and abandoned because the oil remaining in the sand beds produces a yield that is too small for profitable operation Such wasteful practices make the nation poorer in petroleum resources

How We Can Conserve Our Petroleum While most experts are pessimistic about our remaining petroleum resources, it is possible that new fields may yet be discovered in the United States There are possibilities of discovering oil in Alaska and the Philippines There are still oil resources on the American continents—Northwest Canada,

Mexico, Central and South America. We always have the alternative of importing oil from regions which still show promise of increased production such as Russia, New Zealand, India, Africa, and Egypt.

It is known that there is much oil left in abandoned wells which cannot be reached by ordinary pumping methods. Some of this may still be salvaged by the invention of new techniques to recover the oil from the sand beds. The petroleum industry is profiting by making use of technically trained men, who apply the methods of laboratory research to the field of gas and oil production. Thus the invention of the "cracking process"[1] enables refineries to procure almost double the amount of gasoline from a barrel of crude oil. Another possibility is the development of substitutes from coal or oil shale.

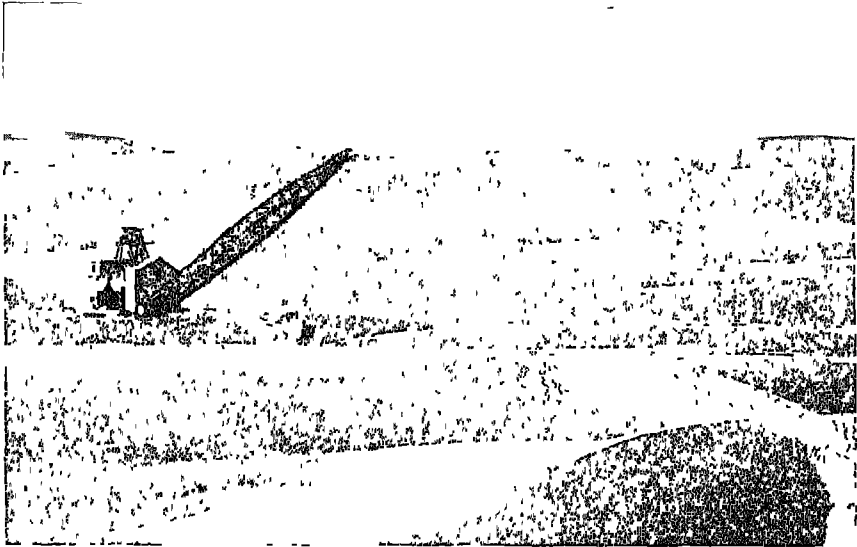
The conservation of our petroleum resources constitutes one of our major social problems. We must remember that our oil supplies are limited in quantity. Once gone they can never be replaced. It is essential that oil producers co-operate to prevent the drilling of wells which are not needed at the present. It is also essential that exploitation be replaced by more efficient methods of securing petroleum. The basis of our machine age depends to no small degree upon the conservation of this basic resource.

Conservation of Water Resources

Floods and Erosion. The destructive floods that we have experienced show a close relationship to soil erosion. When we speak of erosion, we mean that the top soil has been washed or blown away by water or wind. This top layer of earth is composed of humus-decayed animal and vegetable matter necessary to plant growth. It is estimated that it took nature from four to six hundred years to accumulate every inch of this soil. Erosion has permanently ruined 50,000,000 acres, and damaged a total of 300,000,000 acres, or 57 per cent of our productive agricultural lands. Sheet erosion occurs on level land when it is overworked, and "skinned" for all it will stand. Wind erosion frequently causes dust storms called "black blizzards." Most of these originate on the Great Plains of the West. The government has undertaken to protect the land with vegetation by planting a "shelter-belt" of nearly one half a billion trees in a zone stretching from North Dakota to the Panhandle of Texas. Water erosion causes destruction where there is rolling land and heavy rainfall. The dash-

[1] Crude petroleum is heated under great pressure until the molecules of the heavier oils are cracked. Raw materials that were formerly only suitable for fuel-oil are now used for gasoline.

ing rains cause little rivulets to form deep gullies The top soil is washed down the hillsides to the nearest stream

Experts say that to prevent river floods there must be "up stream control" Water must be controlled at its source In 1936, Congress passed the Flood Control Act, providing for the improvement of rivers, for flood control, for the investigation of water sheds, for the measurement of run-off water, water retardation, and soil erosion

U S Bureau of Reclamation

Digging the All-American Canal which brings water from Boulder Dam to irrigate the rich Imperial Valley. This is a project of the U S Bureau of Reclamation

Our Efforts at Reclamation. Much of the land west of the 100th meridian is fertile, but it is a dry and arid region, lacking proper rainfall To date we have reclaimed about 25 million acres of land through irrigation, and the National Resources Board estimates that another 25 million acres are available for reclamation

Among the irrigation projects in use are the Roosevelt Dam in Arizona, the Shoshone Dam in Wyoming, Arrow Rock Dam in Idaho, Elephant Butte Dam in New Mexico, and Boulder Dam located on the Colorado River between Nevada and Arizona Bonneville and Grand Coulee Dams, on the Columbia River, are virtually completed The federal government owns these dams, which are managed by the Bureau of Reclamation of the Department of the Interior

Are Reclamation Schemes Successful? During the eighties and thereafter the American public was oversold on the exaggerated virtues of

reclamation through irrigation. Speculative land companies, railroads, and Chambers of Commerce painted rosy pictures of abundant crops, perpetual sunshine, the freedom from worry about rainfall, and the pleasure derived from watering one's own farm. Experience shows, however, that the cost of producing crops is higher when the farmer has to buy water. Nor are the crops more abundant than on other good farm lands.

Reclamation projects, aside from Boulder Dam, have cost the federal government over $227,000,000. This is 175 per cent over the original estimates made by engineers. The greater part of these projects have not been successful. The National Resources Board lists the difficulties as follows: (1) a poor selection of settlers, (2) poor adjustment in the number and size of farms and types of farming, (3) tax-delinquency, (4) tenancy.

Reclamation, to be successful, must enable land owners to meet their taxes and water payments. Irrigation projects can only become a national asset if they succeed in stabilizing communities.

Hydroelectrical Power. The great demand for electrical energy in the United States has led to the building of gigantic generating stations at the power sites on many of our great rivers. Our capacity for generating electrical power derived from water has increased from a total of 440,000 horsepower in 1902 to 18,600,000 horsepower in 1940. There is still a tremendous amount of water power available in this country. It is possible to increase greatly our hydroelectrical energy by developing remaining water power sites, estimated potentially at 38 million horsepower.

Twenty years ago it was impossible to transmit electricity over 200 miles, but with the development of more powerful stations, and long-distance transmission lines, it is now possible to convey energy many hundreds of miles. This is more economical than transporting coal from mines to power plants. Furthermore, water supplies are being continually replenished, while our coal reserves are limited. It should be understood that with our present resources, water power can never entirely replace fuel power. Hydroelectric and mineral fuel generating plants must be considered complementary sources of power. By developing water power we conserve the scarcer fuel materials—petroleum, natural gas, and high-grade coal.

Some Important Federal Projects. The federal government has several purposes in developing dams. For instance, Fort Peck Dam on the Missouri River was built for flood control. The primary purpose of Boulder Dam was irrigation of land. The principal objective of

Bonneville Dam was to promote navigation, the development of electrical energy is secondary The dams on the Tennessee River are being built for power, navigation, and flood control

We must point out here that there is a distinction between power and water conservation Water conservation dams are used for flood control and are not effective for power purposes They are designed to maintain an even flow of water A power dam needs such an even flow to be effective, but its main job is not to store water but to extract energy from its fall A good river system, however, needs both

1 *Tennessee Valley Authority* In 1917 the federal government authorized the building of two large dams on the Tennessee River to generate electricity for the manufacture of nitrates, which were essential for the production of high explosives The Wilson Dam was completed in 1925, but nitrates were never manufactured After years of debate, the Tennessee Valley Authority was created, controlled, and administrated by three men The following objectives were set up (1) development of the Tennessee River for navigation, (2) flood control, (3) the generation of electrical power, (4) the proper use of marginal lands, (5) reforestation, and (6) the economic and social well-being of the people living in the river basin It was also planned to build ten additional major dams with power plants to generate 660,000 kilowatt hours of electricity at a cost of approximately 350 million dollars

The government has thus undertaken a gigantic social and economic experiment which will affect directly two and one-half million people Model towns and new community centers have been built Many small towns and rural districts have already benefited by cheaper electricity and a higher standard of living

2 *Boulder Dam* It may seem inconsistent to build a reclamation project on a desert many miles from industrial centers But Boulder Dam will affect the welfare of millions of people It was completed in 1936 and reaches a height of 727 feet above the bed of the river The impounded waters of the Colorado form the world's largest artificial lake, which is 115 miles long and 8 miles wide The power house has 15 water turbines, each 115,000 producing horsepower, and two of 55,000 making a total of 1,835,000 horsepower

Boulder Dam was built with a multiple-purpose program, (1) irrigation, (2) flood control, (3) city water supplies, and (4) the generation of electrical energy Minor purposes include recreation, regulating the river, and improvement of navigation Water from the river is

carried by the All-American Canal to the rich Imperial Valley of California

Private Enterprise or Government Ownership. There are many different opinions about the power industry One is that all water power projects should be owned and operated by the government Another view is that power generated for public use should remain in the hands of private enterprise as a private monopoly Still another, voiced by President Roosevelt, contends that private and public power plants should operate side by side, so that the cost of generating electricity under government ownership may be set up as a "yardstick" to measure the rates charged by utility corporations

The British follow this plan They call it the "grid" system Both private and public utilities are co-ordinated and operated under a Central Electrical Board A similar system has been developed in Sweden

Conclusion Our conservation problems include land, forests, minerals, and water Rather than curtail our use of our resources, conservation should help us to use them wisely and, in some cases, to increase them Some of our resources are abundant, others are limited and, unless we practice conservation, they will not serve future needs. We must adopt conservation policies that will help us to maintain a balance between our present needs and those of future generations

Unit Summary

Agriculture and conservation are closely linked Both are based on the use of America's natural resources These resources, developed (though, as we now see, with much waste) by our pioneering forefathers, have been the reasons for our high standard of living Since one of democracy's aims is to raise the plane of living of all the people, our concern for the farmer and for conservation is real and reasonable We often think of the heritage of America as the sum of the tangible and intangible values bestowed on us We must remember that we have the duty of handing it on Let us be sure that this heritage to the future democracy is not a bare and sterile country This is the meaning of conservation

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest land-use planning, the United States Forest Service, sustained-

yield management, strip-mining, erosion, black blizzards, water conservation districts, reclamation, Tennessee Valley Authority, grid system

INFORMATION, PLEASE!

2 **a.** Why is the land still our most important resource? **b.** What are the basic elements of our National Farm Program? **c** Explain the term land-use planning **d** What is the forest problem of the nation? **e** Describe the methods that have been developed to conserve our forests **f** What are the functions of the United States Forest Service? **g** What is a possible forest program for the future? **h.** Why is the coal industry referred to as a sick industry? **i** Why do we face a shortage of petroleum in the near future? **j** How can we conserve our petroleum resources? **k.** How can we prevent erosion by water conservation? **l.** Explain reclamation and show why these projects are not always successful **m** What use have we made of hydro-electrical power? **n** For what different uses were the Tennessee Valley Authority and Boulder Dam created?

CAN YOU THINK?

3 **a.** William J Bryan once said, "The great cities rest upon our fertile plains Burn down your cities and leave our farms, and your cities will spring up again as if by magic, but destroy our farms, and the grass will grow in the streets of every city in the country" What did he mean? **b.** Forests occupy an important place in conservation, both as an agency of conservation and as a natural resource Explain **c.** Competition in the coal industry has resulted in over-production and waste, low wages and uncertain employment for miners Is this a good argument for government ownership of coal mines? **d** If our oil resources are rapidly approaching exhaustion, does this mean we will have to live in a country without automobiles? **e** Why are water conservation dams an important part of the conservation program?

WE LEARN BY DOING

4 **Investigation** Write to the United States Department of Agriculture for a copy of the pamphlet, *Achieving a Balanced Agriculture* Outline the outstanding phases of the farm problem and present them to the class

5 **Oral Report.** For further information on land planning, consult Ayers Brinser, *Our Use of the Land,* chap viii Summarize your findings and report to the class

6 **Project** Write to the United States Forest Service, Division of Information and Education, Washington, D C, to secure a copy of *Wood—The Material of a Thousand Uses* Prepare your information so that it may be displayed on the classroom bulletin board

7 **Written Report.** Secure from the Superintendent of Documents, Wash-
ington, D C, copies of the pamphlet, *Taming Our Forests,* by Martha B
Bruere (1936) Make class assignments for written work on Diseases and
Insects, and Fires of the Forest

8 **Chart** Make a chart showing the production of lumber in the United
States since 1896 See *World Almanac,* 1941, 621

9 **Graph** Make a graph showing fluctuations in the production of coal
in the United States since 1920 See *World Almanac,* 1941, 602

10 **Graph** Make a graph showing increases in the production of motor
fuel oil since 1920 See *World Almanac,* 1941, 601

11 **Map** Make a map of the United States locating the great American
Dams Under the name of the dam, print the approximate cost of each
See *World Almanac,* 1941, 691

12 **Panel Discussion** "In the interest of the general welfare immediate
steps should be taken to secure government ownership and control of our
mineral resources"

WE READ FROM OTHER BOOKS

13 **General Readings** *Building America,* II, No 7, 1937 *"Conservation",*
Building America, I, No 6, 1936, *"Power", Saving Our Soil,* Public Affairs
Pamphlet, No 14 The following pamphlets can be secured from the
Superintendent of Documents for a nominal fee *Living and Forest Lands,*
Taming Our Forests, What Forests Give, The Work of the United States
Forest Service, Park and Recreation Progress (1940 Yearbook), *Forest Con-*
servation, a Forest Service Guide in the Social Studies, for teachers, and
The Story of Boulder Dam, Conservation Bulletin No 9

14 **Conservation of the Land** Consult A Brinser, *Our Use of the Land,*
chaps i, ii, iv, and viii, S Chase, *The Tragedy of Waste,* chap xii, K
Glover, *America Begins Again,* chaps i, ii, and x

15 **Our Water Resources** Consult A Brinser, *Our Use of the Land,* chap
iii, S Chase, *Rich Land, Poor Land,* chaps v, ix, and x, K Glover, *Amer-*
ica Begins Again, chaps iii and vii, Pare Lorentz, *The River* (taken from a
motion picture made for the Farm Security Administration)

16 **Our Forests** Consult A Brinser, *Our Use of the Land,* chap v S
Chase, *Rich Land, Poor Land,* chap viii, K Glover, *America Begins*
Again, chap iv, R Marshall, *The People's Forests*

17 **Our Mineral Resources** Consult A Brinser, *Our Use of the Land,*
chap vii, S Chase, *Rich Land, Poor Land,* chap xii, K Glover, *America*
Begins Again, chap v

18 **Tennessee Valley Authority** Consult A Brinser, *Our Use of the Land,*
272-78, S Chase, *Rich Land, Poor Land,* chap xv, K Glover, *America*
Begins Again, chap viii

UNIT XI

THE FINANCING OF GOVERNMENT HAS BECOME AN INCREASINGLY VITAL PROBLEM OF DEMOCRACY

****

32. TAXATION PROVIDES THE REVENUE OF GOVERNMENT

33. GOVERNMENT FINANCE IS A CONCERN OF EVERY CITIZEN

CHAPTER 32

TAXATION PROVIDES THE REVENUE OF GOVERNMENT

★★

The Supreme Court has said, "The power to tax is the one great power upon which the whole national fabric rests   It is not only the power to destroy, but the power to keep alive" Taxes are necessary and the services for which they pay are valuable However, the most important element of any tax system must be justice.

★★

WHAT IS A JUST SYSTEM OF TAXATION?

Principles of Taxation. A famous economist defines a tax thus "A tax is a compulsory contribution from the person to the government to defray the expense incurred in the common interest of all, without reference to the special benefits conferred"[1] All of which means that a tax is money raised to run the government Ordinarily we think of a contribution as being given willingly Here it is compulsory Used in this definition, it means that all are compelled to contribute to those activities which relate to the common interest Taxes are not collected for any special group of citizens Likewise, taxes must be spent only for public purposes The special benefits referred to in the definition will be discussed later

Adam Smith, a Scotch professor at the University of Edinburgh in the eighteenth century, and father of political economy, laid down four principles of a just tax system These are[2]

1 Ability The subject of every state should contribute to the support of his government, as nearly as possible, in proportion to his respective ability
2 Certainty The tax which each individual is bound to pay ought to be certain, and not arbitrary The time and manner of payment and the quantity to be paid should be certain
3 Convenience Every tax ought to be levied at the time, or in the manner which is most likely to be convenient for the contributor to pay it
4 Economy Every tax ought to be so continued as both to take out

[1] E R A Seligman *Essays in Taxation*, New York The Macmillan Company
[2] Adam Smith, *The Wealth of Nations*, Book V, Chap 2

Printing money in Washington
Acme

and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state

Compare these principles laid down by Adam Smith with a modern tax system outlined by a tax commission for the state of Minnesota in 1936 These are·

1 All persons should be taxed in proportion to their ability to pay
2 Persons and property should pay taxes, according to the value of the benefits and services, to the unit of government which furnishes the service.
3. As many citizens as possible should be required to pay some sort of a direct personal tax to the government under which they live and from which they receive personal benefits and services
4 The tax system should be productive enough under economical administration to meet the essential needs of government.

Notice that in the Minnesota plan both the ability-to-pay and the benefit theory are advocated There is also provision that as many citizens as are able should pay some personal tax

Any tax system that is sound must meet a number of requirements (1) Taxes must be just and equitable They must not burden any one class of people. (2) Taxes should encourage industry in production that is socially useful, rather than discourage it (3) The tax system should be elastic so that it may be easily adjusted to produce such revenues as conditions require (4) Taxes should be used only for services that are socially useful (5) The rules which establish the basis for taxes and the tax levy should be definite so that no taxpayer shall be shown favors by arbitrary officials

Theories of Taxation. 1 *The Benefit Theory* One way to levy taxes would be according to the benefits received The actual benefits which people receive, however, are hard to measure Suppose A has a family of five children to raise and educate B, a bachelor, with no children, may argue that he should not be taxed to educate someone else's children C may likewise contend that his children are being sent to a private school, therefore he is paying twice B and C are nevertheless indirectly benefited because they can live in a law-abiding community and hire better educated and more efficient workmen—all because they help to educate the children of those who cannot afford to pay for it themselves Our democratic philosophy, however, is based on the theory that every child deserves an education at public expense.

Examples of direct benefits received from taxes can also be given

Those who cross certain bridges pay a toll which is a tax, and hence they receive the direct benefit of using the bridge There are many other examples of direct benefits resulting from payment, such as fees, licenses, and special assessments

Farm Security Administration, photo by Rothstein

One source of government revenue—licenses Here an official in an Illinois court house is issuing fishing licenses Funds from this source are usually used to support State Departments of Conservation

On the whole, the benefit theory is not practicable It is hard to measure the benefits one receives from public schools. It is no easier to measure benefits which the urban dweller receives from a national agricultural program It is hard to measure the benefits you receive from protection afforded by an adequate defense system Only an expert after much study could determine accurately the exact benefits which anyone receives from most government services

2 *Ability-to-Pay Theory* Since benefits cannot be measured in terms of money, we must look for another principle The one which is recognized universally as fair and just is the ability-to-pay theory Those who have more material wealth and income must assume a larger proportionate share of government expenses Taxes levied on the ability-to-pay theory are measured in several ways Thus taxes levied on property at the same rate are said to be proportional Suppose A owns a house worth $2,500 B's house is worth $9,000 If the

tax rate on the assessed value of property is $3.00 per $100, then A pays $75 and B pays $270 in taxes. Taxing property according to fixed rates, however, may not be taxation according to one's ability to pay. If A has $500 in cash in the bank, he has only $425 left after paying his taxes. If B has $5,000 in the bank, he has $4,730 remaining. Each person pays in proportion to the value of his house instead of to his total wealth. Nor does property always yield the same return. A business worth $10,000 may yield a productive income on the investment. A farm worth $10,000 may leave its owner land poor.

There is, however, a way to tax according to one's ability to pay taxes. That is to increase the rate of taxation as a person's income increases. This is called progressive taxation. Assume, for instance, that A has an income of $2,000, B's income is $10,000 and C's income is $100,000. The respective rates of taxation may be 2 per cent, 5 per cent, and 15 per cent. Then A's tax bill is $40, B's is $500, and C's is $15,000. This system of taxation is now used to tax estates, inheritances, gifts, and incomes.

A regressive tax grows proportionately less as one's ability to pay increases. Taxes on commodities act regressively. If A makes $1,000 annually and spends $800 on food and clothing, then a sales tax of 3 per cent would cost him $24. B, on the other hand, earns $6,000, but spends the same as A on necessities. A is taxed 2.4 per cent of his total

income, while B's share is only .04 per cent of his total income. Sales taxes are therefore regarded as regressive. The poor man pays more in proportion to his income than the rich man.

Some of the Tax Terms You Should Know. 1. Fees, licenses, and special assessments are considered part of the tax structure. They are compulsory contributions based upon the direct benefit theory. A fee is charged for some special service, such as securing a passport to travel abroad. Licenses are required for two purposes, (a) to collect revenue, and (b) for regulatory purposes. Automobile licenses yield large revenues. Doctors and lawyers must secure a license to practice their professions. The public interest may demand control of certain activities, such as licensing drug stores to sell narcotics. Special assessments are imposed for public improvements like sidewalks, sewers, and watermains, as they confer benefits by improving property.

2. A poll tax is a head tax levied at a flat rate. Some states tax only males, others both sexes. The rates vary from $1.00 to $3.00 per person. Many southern states require a poll tax receipt as a voting qualification. The money raised from this source is insignificant. The tax has little relationship to benefits or ability to pay. The poll tax, however, does have possibilities. If raised to $5.00 or $10.00 for each person it might act as a minimum income tax, thereby making everyone conscious of having a direct share in bearing government costs. Otherwise the tax should be abolished.

3. A severance tax is one that is placed upon natural resources, such as timber when cut, or coal when mined. The purpose of this tax is to prevent the waste of our natural resources and to regulate the out-put. Some states have exempted forest lands from taxation in order to conserve our rapidly diminishing timber resources. Taxes on these lands are reduced as long as the trees remain standing. The property tax is applied after the trees have been cut and the true value of the timber is known. However, the severance tax is not wholly successful as a means of conserving resources, especially timber resources.[1]

4. Tax evasion means that a person is trying to avoid paying his full share of taxes. This is sometimes accomplished by giving a dishonest account of personal property, cash on hand, jewelry, stocks and bonds. A person may evade the filing of his income tax returns, or he

[1] The laws of Massachusetts and Wisconsin permit you to apply for a severance tax for your timber lands. Assume that the assessed valuation of this land, by application of the severance tax, is reduced from $25.00 to $5.00 an acre. The tax officials, nevertheless, must still meet the expenses of their political subdivisions. To get around the severance tax, they raise the assessed valuation of your other holdings, such as buildings and personal property. In the end, you are still paying the same amount in taxes.

may falsify the report. The federal government has been unusually successful in tracking down such income tax evaders as Al Capone, Waxy Gordon, and Tom Pendergast.

5. Tax avoidance is accomplished by several methods. This can be done legally by giving part of your income to a church, a college, or by purchasing tax-exempt securities. On the other hand, clever lawyers sometimes show their clients how to take advantage of technicalities of the law to avoid the payment of income taxes. A wealthy man might make a corporation out of his family. Cases are known in which rich men have incorporated their yachts, stables and racing horses, country estates, and other private buildings in order to avoid paying income taxes. Corporation taxes must be paid, but they are cheaper than income taxes. The government has passed laws to break up these schemes, where the intent to defraud is clear.

The General Property Tax

General Property Taxes. General property consists of land, houses, buildings, and furniture. There are two kinds of general property, (1) real property, which consists of land and all of its improvements, and (2) personal property, which can be either tangible or intangible. Tangible property consists of all movable wealth which is visible and the value of which can easily be assessed. Some tangible things are horses, farm implements, pianos, refrigerators, and watches. Intangible property consists of stocks, bonds, mortgages, and bank accounts. These are sometimes hidden from tax assessing officials. Certain classes of property are tax exempt, such as churches, hospitals, schools, colleges, and charitable institutions.

Taxes on general property were adopted in America when wealth consisted mostly of land. This tax still forms the basic source of revenue for cities, towns, counties, and school districts. The states receive about one-tenth of the taxes collected on property, the federal government receives none. Taxes on property produce fairly steady sources of revenue in normal times. During the depression, however, mounting tax delinquencies forced states to adopt other tax producing measures, such as the sales tax, to relieve the burden placed upon real estate.

The amount of wealth a man owns is said to be fair measure of his ability to pay taxes. But property is not always a true measure of one's real wealth. A dishonest person, who owns only intangible wealth, may seek to evade taxes by not declaring it. On the other hand, taxes on farm land usually remain the same during periods of depression, although farm income shrinks.

1. *How Property Is Assessed.* The assessor is usually an elected official who makes assessments on property each year. He appraises the value of all property within his jurisdiction which is subject to taxation. The tax assessor, or his assistants, visits property owners and lists their holdings on a tax form. Assessment is based upon a "fair market value," or "true value in money." Values may change from year to year, but proportionately they are the same for all people. The total value of everyone's property, within the area is called the assessed valuation. The tax levy is the amount of money to be raised by the general property tax. Apportionment is the distribution of the amount to be raised for the state, the county, or other political subdivisions. When property values are placed upon the official records, they are said to be recorded on the tax duplicate.

Even though they swear that their tax statement is true, many people do not declare all their property, such as cash, diamonds, jewelry, and valuable pictures. New York and Ohio have abolished all taxes on personal property, and make up their revenues from some other source. Several other states have lowered the rates on intangibles to such an extent that citizens will have little cause to perjure themselves by making false statements.

2. *Difficulties of Assessment.* Many practical difficulties arise in the assessment of property. It is hard to determine the true value of a running foot of property on a main thoroughfare of a large city. Nor is it easy to assess costly machinery in heavy industry. There are many forms of corporate wealth, such as oil pipe lines, lines for transmitting high-powered electrical energy,[1] huge manufacturing plants with expensive machinery, upon which it is difficult to place a fair value.

In many cases the assessor does not have the insight and intelligence which, combined with experience, should make him an expert in judging property. Furthermore, because the salary is small, the office does not attract able men. The assessor may not use scientific methods to make assessments. He may be a politician who favors his friends and hopes for re-election. Recent studies show some evidence of bribery and the use of political favors as dishonest rewards to secure lower assessments. Some state tax commissions have raised the standard of efficiency by holding tax conferences for assessors, by issuing tax manuals, and by giving advice through correspondence. Wisconsin has set up an organization of regional property supervision districts, each in charge of a state supervisor, who forms a link between the assessors and the state tax commission. This has accomplished a great deal in raising the level of efficiency in the assessment of property.

[1] Public utilities are required to pay a franchise tax in addition to the property tax.

Because our tax systems lack uniform methods of administration, there is much variation in assessments between the counties and townships of the same state. Assessors sometimes place low values on property so that the state will receive a smaller share of tax money from their own county than from surrounding ones. Some states have set up Boards of Equalization which have the power to level off unequal assessments. Some counties and cities have Boards of Tax Appeals, or Boards of Revision of Assessment to which the taxpayer can appeal from the assessor's evaluation if he believes it unjust.

3. *Fixing the Tax Rate.* Fixing the tax rate is really quite simple. Assume that the town of Greenville must raise $100,000 in taxes. The various political subdivisions have fixed their budgets, and the town must raise the proper apportionment for each as follows:

The State's Apportionment		is	$ 5,000
The County's	–	is	$ 20,000
The School's	–	is	$ 25,000
The City's	–	is	$ 50,000
Total is			$100,000

The value of the property on the tax duplicate for Greenville is $4,000,000. The tax rate is computed by dividing $100,000 by $4,000,000. This equals $.025, which is frequently expressed as 25 mills for each dollar. This term can further be expressed as

$ .025	for each		$ 1.00
$ .25	–	–	$ 10.00
$ 2.50	–	–	$ 100.00
$25.00	–	–	$1,000.00

4. *How Taxes Are Paid.* The tax bills are sent out by the county or city treasurer through the mails. Taxes may be paid to this officer, or to an authorized local bank, which forwards it to the tax collector. Taxes on real property are usually payable in two installments. The state law fixes an arbitrary date as the deadline when all taxes must be paid or they are declared delinquent. A penalty and interest is charged on back taxes. If delinquent for a certain length of time—two to four years—the property is sold at public auction by the county sheriff for the taxes. During the depression many states waived the penalty and interest if a taxpayer paid a small amount on installments as evidence of his good faith to pay all taxes when he was able. This saved many property owners from ruin.

Other Forms of Taxation

Business Taxes. 1 *Corporation Taxes* In 1909 Congress began to tax corporation incomes The first law levied a flat rate on corporation income In 1936 the law was drastically changed An undistributed-profits tax was levied on such sums of money as were earned profits, but not distributed to the stockholders Hence, if a company made a profit of a million dollars and paid out only one-half of it in dividends, then $500,000 would be considered a surplus The normal corporation tax rate under the 1936 law was 15 per cent plus a maximum undistributed-profits tax of 27 per cent—a total of 42 per cent Prior to this, stockholders were glad to have dividends held back, as they were not considered taxable income It is claimed that officers of corporations have used these non-taxable surpluses to expand factories needlessly, or to speculate in doubtful financial ventures The law discouraged such unwise investments as were made in the "roaring twenties" Under the new law, profits of a corporation had to be paid to the true owners under penalty of a heavy tax

Corporation taxes have been revised from time to time Late in 1941 they were drastically increased to raise revenue for defense Corporations whose net earnings total more than $25,000 a year will continue to pay a normal tax of 24 per cent Those earning less pay a graduated tax from 15 to 19 per cent A surtax of 6 per cent is levied on incomes up to $25,000, and 7 per cent on all in excess of that figure The new law repeals the 10 per cent defense tax

The rates on excess profits also have been increased The following table gives the comparative rate

Amount of Excess Profits		*Old Law (Per Cent)*	*New Law (Per Cent)*
First	$ 20,000	25	35
Second	$ 30,000	30	40
Third	$ 50,000	35	45
Fourth	$150,000	40	50
Fifth	$250,000	45	55
Sixth	$500,000	50	60

These taxes on corporations are expected to yield $1,404,400,000

2 *Capital Gains Taxes* Taxes on capital gains are levied by both federal and state governments Hence, if you buy a share of stock and sell it at a profit of $500 you must pay a tax on the gain Or, if you buy a house for $5,000 and sell it for $10,000 during inflated

prices, your capital gain of $5,000 is taxable The law was changed in 1938 to tax more heavily the gains realized on business transactions from capital assets held less than nineteen months Certain losses made from the sale or exchange of depreciated property may be deducted

3 *Payroll Taxes* Taxes collected under the Social Security Act of 1936 are called payroll taxes The law imposes two distinct and separate taxes (1) an income tax upon employees, (2) an excise tax upon employers.

Certain classes of labor, agricultural and domestic service, are exempt from these taxes All payments are made by the employer to the Bureau of Internal Revenue This tax money is thrown into the general fund and used to help pay the ordinary running expenses of the government Government bonds are issued to the extent of this tax money to build up reserve funds However, the taxing power of the government must be used to make payments on the interest and principal of these bonds Nearly 740 million dollars were collected in 1938 which was an increase of 180 per cent over the previous year

These taxes rest solely upon the benefit principle The benefits gained will be in old-age pensions and unemployment insurance The incidence (final resting place of a tax) of this tax is upon the worker, or upon the consumer if the cost of goods is increased to compensate the employer

4 *Miscellaneous Federal Revenues* The federal government receives revenue from a number of minor sources, such as taxes on national banks, the sale and rental of public lands, fines for violations of the federal law, fees for copyrights, patents, naturalization, and immigration In addition, money is received from postal receipts and the operation of public enterprises such as the Panama Canal, the Alaskan Railroad, Boulder Dam, and Tennessee Valley Authority

Imposts and Excises. Congress is given the constitutional authority to levy taxes on imports (goods entering the country) and excises (taxes levied on domestic sale or production of commodities) These taxes must be levied uniformly throughout the United States The taxes on imported goods are also called customs duties When placed upon the value of the goods, they are called *ad valorem* duties A good example is a duty on diamonds Each diamond is valuable in itself and the duty is therefore paid on the value of each A specific duty, however, is levied on bulk, volume, or weight A specific duty would be levied on grain by the bushel The money raised from customs at one time was the most important source of revenue for the federal government The high point was reached in 1927 when gross

receipts totaled over 600 million dollars Now it provides only a small part of the total tax money collected In 1938 receipts from customs were only 359 million dollars, about 15 per cent of the total federal tax receipts

Excise taxes are levied upon a great many commodities Like customs duties, they are indirect taxes and easily collected. In 1937 the

Farm Security Administration, photo by Lange

Customs is a source of federal revenue These inspectors are working at the U S Mexican border

federal government collected nearly 600 million dollars from liquor users, and over 550 million dollars from tobacco sales Taxes on gasoline and lubricating oil yielded nearly 228 million dollars, theater admissions 17 million, matches 7 million, playing cards 4 million, and chewing gum nearly a million dollars This gives us a fairly accurate picture of our spending habits

The Income Tax. The first income tax to be passed in the United States was levied in 1861 to help defray the expenses of the Civil War The courts upheld this act as constitutional In 1894 another federal income tax law was passed, but the Supreme Court of the United States, by a decision of 5 to 4, declared the act unconstitutional, on the ground that it was a direct tax and must be apportioned accord-

ing to the population. Agitation was immediately begun for an income tax amendment to the Constitution. The Sixteenth Amendment (Income tax) became effective in 1913.

Taxes on personal incomes increased in late 1941, in order to meet the expense of the gigantic defense programs. Exemptions were lowered for the qualified heads of families from $2,000 to $1,500, and for single persons from $800 to $750. An exemption of $400 is still granted for each child under eighteen. Money paid out for charities, interest, property taxes, and earnings from government securities may also be deducted. The normal tax of 4 per cent on individuals is not changed, but surtaxes start with the first dollar of taxable income.

As an example, take the case of Henry Jones, single and earning $4,000 a year. He is paying an income tax of $84 this year, but next year he will pay $346.50.

This is how the tax against the 1941 income of Jones is figured. He will have a personal exemption of $750. He may still receive an earned income credit of 10 per cent, or $400, but it will apply only with regard to his normal tax. He will have to pay 6 per cent surtax on the first $2,000 in excess of his exemption, and 9 per cent on the remaining $1,250. The normal tax of 4 per cent is figured on $2,850. Let us take this transaction step by step.

TAXES ON JONES' 1941 INCOME

Normal Tax

Jones' income		$4000	
Personal Exemption	$750		
Earned income credit (10%)	$400		
Total of non-taxable income	——	$1150	
		$2850	
Income $2850, subject to normal tax at 4%			$114.00

Surtax

Jones' income	$4000	
Personal exemption	$ 750	
Income subject to surtax	$3250	
Surtax on first $2000 at 6%	$120.00	
Surtax on remaining $1250 at 9%	$112.50	
Total surtax	——	$232.50
Total of Jones' federal income tax		$346.50

The surtax is increased in all brackets. After $22,000 of taxable income, the rate goes up in bigger jumps to 77 per cent on income in excess of $5,000,000 Next year taxpayers whose incomes do not total more than $3,000 can go to their post office where a posted chart will show what the average tax is for each $25 bracket between $750 and $3,000 Deductions for contributions are arbitrarily averaged at 10 per cent of the income.

The reduced exemptions will cause an additional 4,930,000 persons to file income tax returns in March 1942 It is estimated that 2,275,000 of these will have to pay taxes Tax collections on personal incomes are raised about 50 per cent from $2,223,300,000 to $3,367,900,000 This new tax burden falls most heavily on people with incomes under $15,000 They will pay from two to eight times more than they paid in 1941

In 1929 the Bureau of Internal Revenue reported 513 persons with incomes of $1,000,000 or over, 61 in 1936 and 48 in 1938 Revenue derived from personal incomes in 1940 totaled over $2,100,000,000 or 23 per cent of the total tax collected In addition personal income taxes were collected by 30 states and Hawaii

Income taxes are one of the best methods of taxing based upon the ability to pay principle These taxes are direct and cannot be shifted The rates are elastic, which means they can be raised or lowered, depending upon economic conditions and our government's need for money The law allows liberal exemptions for the protection of the wage earner

Taxes on Wealth. 1 *Inheritance and Estate Taxes* Inheritance and estate taxes are levied upon the property of a deceased person An inheritance tax is put upon that share of property which goes to each heir [1] An estate tax is levied upon the net proceeds of an individual estate The federal government taxes only estates, while most states tax inheritances The federal government exempts estates below $40,000 after all debts and expenses are paid A 2 per cent tax is levied on the first $10,000 over the exempted amount The rate increases thereafter, with a maximum of 70 per cent on estates valued at $50,000,000 or over In 1938 the federal government collected about $380,000,000 from this source. All states except Nevada levy either estate or inheritance taxes, 7 levy only estate taxes, the remaining 40 states levy both taxes The federal government gives liberal credit by permitting deductions on death duties paid to the states This is done

[1] Heirs are of three kinds—direct (husband, wife, children, and ancestors) collateral (brothers, sisters, aunts, uncles, nephews, cousins, etc), and strangers The rates and exemptions vary with each class of heirs.

to encourage uniformity in state laws Under the federal law of 1941, the tax begins at 3 per cent on the first $5,000 of taxable estate, though the $40,000 exemption remains as before

2 *Gift Taxes* Taxes are levied upon gifts to prevent wealthy people from disposing of their fortunes before death to escape the payment of inheritance and estate taxes. It is much cheaper to give property away than to bequeath it after death, for the rates are only about three-fourths the amount of the estate tax Taxes cannot be avoided by spreading gifts over a period of years Gifts under $5,000 to any one person during any one year are exempt Records of all gifts are kept and a total exemption of $40,000 is permitted but once. The rates on gifts begin at 1½ per cent on the first $10,000 above the exemption, the highest rate being 52 5 per cent for gifts over $50,000 Total receipts for the federal government from this source in 1938 were about $35,000,000

3 *Benefits of Death Duties and Gift Taxes* Taxes on inheritances, estates, and gifts are direct taxes levied on the ability to pay They are not easily shifted The net values are easy to assess and the taxes are easy to collect These taxes have a social significance, for the government uses them to distribute concentrated fortunes Arguments against death duties are that when one or two persons inherit some established business firm, the heirs may have to sell it to pay imposed taxes It has been proposed that wealthy men insure their estates for sums large enough to cover death duties, thereby preventing embarrassment to heirs

The Sales Tax. A tax that is applied to the retail transactions of commodities and merchandise is called a general sales tax If you live in a state which levies a sales tax, then you pay it at the place where you buy your meat, groceries, and clothing The state of Ohio, for instance, levies a flat rate which is collected by the merchant from the purchaser at the time of the sale. The Ohio rates are as follows·

Less than 9¢	no tax
9¢ to 40¢	1¢ tax
41¢ to 70¢	2¢ tax
71¢ to $1 08	3¢ tax

Thus, if you buy a fountain pen for $1 00 you must pay an additional 3 cents sales tax The merchant produces a 3 cent stamp (which he has purchased from the county auditor), he tears it in two parts, thus destroying it publicly, and gives it to you together with your purchased goods Other states use metal tokens of a fraction of a cent

to prevent overcharging or undercharging. Several states allow exemptions on food, fuel, and inexpensive clothing.

The sales tax is a child of the depression. It was levied by state legislatures in an effort to make up for declining revenues from taxes on property. Farm and real estate lobbyists brought pressure upon legislators with the idea that taxes should be passed along and everyone should be made to pay. By 1937 one-half of the states and two cities—New York and New Orleans—had a sales tax. Revenues from this source produced $400,000,000 in 1937. This tax has aptly been called a "poor man's tax." It burdens the poor because it taxes necessities. The poor man spends more of his income in sales taxes than he saves on property taxes, because he usually owns little real estate.

The sales tax is easy to collect, its revenues are large, its yield is more certain than the income tax, and its collections are prompt. Most economists look upon the sales tax with disfavor. It is regressive because it takes a larger proportion of the poor man's income than the rich man's. It tends to lower the standard of living for the low-income groups. It discourages consumption at a time when spending instead of saving is advocated. It violates every principle of benefits and ability to pay.

Conclusion. Taxes are necessary to help defray the expenses of government. A tax system must strive to be fair and just. The best principle of taxation is based on the ability-to-pay theory. Such taxes are levied progressively and help to distribute the national income.

The income tax illustrates the ability-to-pay principle. Liberal exemptions are made on the incomes of those who work for a living. The tax rate becomes progressively higher on the unearned incomes of those whose wealth is increased with little personal effort.

General property taxes still furnish most of the revenue for state and local governments. This tax has been denounced as bad because (1) of the inequalities of assessment, (2) of the double taxation which frequently results, (3) of the dishonesty fostered by taxes on personal property and intangibles, (4) of its violation of the ability-to-pay principle. Some tax experts believe that greater social gains would result by exempting buildings and improvements and taxing only the land. Construction and building repair would thus be encouraged to secure the greatest use of property. Under our present method of taxation, old buildings are torn down and others permitted to decay, when they no longer produce incomes sufficient to meet the tax burden. This helps to produce slums and blighted areas.

The general sales tax on commodities has been applied to reduce

taxes on homes and business enterprise This tax is regressive and works to the disadvantage of the laborer Unless exemptions are made on human necessities, the sales tax works a great injustice on the consumer

We can discourage the exploitation of our natural resources by taxing them only when they are ready to be converted into socially useful purposes Where severance taxes are justly applied to replace taxes on property, there is a greater incentive to conserve our natural heritage

Finally, we must watch the increasing trend of indirect taxes Lawmakers know that we complain less if the tax is hidden in the price of commodities we buy These taxes, nevertheless, are a potential danger if they increase to the point where they threaten our standard of living.

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest tax, ability-to-pay theory, poll tax, severance tax, regressive tax, assessed valuation, tax rate, tax levy, apportionment, tax duplicate, business taxes, excise taxes, sales tax, income tax, unearned income, surtax, inheritance tax, estate and gift taxes

INFORMATION, PLEASE!

2 **a.** *Enumerate the listed principles of taxation, and show which ones are* the most practical for our society **b** State the tax theories given, and show which are more justifiable to the poor man **c** Give examples of tax evasion and tax avoidance **d.** Show how general property is assessed and taxed **e** What are some of the taxes levied on business? **f** Distinguish between imposts and excise taxes **g.** Explain the income tax, and show how its rates are progressively applied **h** Distinguish between inheritance, estate, and gift taxes, and show why they are not easily shifted.

CAN YOU THINK?

3 **a** "The best tax is one which gets the most feathers out of the goose with the least amount of squawking" Explain **b.** What results come from putting heavy taxes on timber, alcoholic liquor, personal property? **c.** Is the government justified in taxing the income of corporations, and then taxing the dividends as incomes of stockholders? **d.** We now place heavy taxes on land improvements, and very little tax on the land itself How

would society benefit if buildings were exempt from taxes, and idle land heavily taxed? **e.** Many new taxes devised by state legislatures are based upon political expediency rather than on one's ability to pay Explain

WE LEARN BY DOING

4. **Problem Solving.** Visit your County Auditor Inquire how property is assessed, how the tax rate is figured Ask to see the tax duplicate Secure tax forms and blanks Learn all you can about the Board of Tax Revision Name ways in which you can help to control taxes

5 **Written Report.** Describe in detail, with examples, the single tax theory of Henry George Consult *Encyclopædia Britannica*, Louis E Post, *What Is a Single Tax, The Single Tax,* pamphlet (Robert Schalkenback Foundation, 11 Park Place, New York City), J R Brown, *A Plain Talk on Taxation,* pamphlet (32 Union Square, New York City)

6 **A Floor Talk** Trace the history of the federal income tax (a) during the Civil War, (b) Supreme Court decision, 1895 Also see Constitution, Article I, Section IX, and the Sixteenth Amendment

7 **Research Problem** Assume that you have purchased a new automobile (choose your make of car) You have driven it 30,000 miles in one year Calculate the approximate amount of taxes you have paid for operating the car during this period

8 **A Class Assignment** Investigate how taxes were levied in ancient and medieval times, in seventeenth century England and America See M S Kendrick and C H Seaver, *Taxes,* chaps x-xiv

9 **Chart.** Make a chart for each of the following items, (a) summary of U S excise tax collections (tobacco, liquor, gasoline, etc), 1941, (b) the number of persons with a net income of a million dollars a year or over from 1914 to 1936, (c) tables for computing personal income tax See the *World Almanac,* 1941, 757-61

10 **Summary.** Using the headings here suggested, summarize the different kinds of taxes levied by the national, state, and local governments, and the principle of taxation for each

KIND OF TAX	COLLECTED BY FEDERAL, STATE OR LOCAL GOVTS	PRINCIPLE OF TAXATION

11 **Investigation** Secure literature and study the gross-sales transaction tax as advocated in the Townsend Plan Report to the class

12 **Debate** Resolved That all sales taxes should be abolished, as they constitute a burden to the poor

WE READ FROM OTHER BOOKS

13 **General Readings** The following readings will give you a general idea of many major factors involved in this study Consult D C Coyle,

Why Pay Taxes, K A Frederic, *Taxes and Tax Trends*, The National League of Women Voters, Washington, D C, H G Hayes, *Services and Costs of Government*, American Education Press Pamphlet, Columbus, Ohio, M S. Kendrick and C H Seaver, *Taxes—Benefit and Burden*, Mabel Newcomer, *You Are a Taxpayer*, The Vassar Cooperative Bookshop, Vassar College, Poughkeepsie, N Y, *Building America*, IV, No 5, "Taxes", *Our Taxes—What They Buy*, Public Affairs Pamphlet, No 28, *Your Taxes*, Twentieth Century Fund Pamphlet, E A Krug, *Why Taxes*, North Central Association Pamphlet

14 **Property Tax** Consult J Corbett and M Herschkowitz, *Modern Economics*, 531-37, D C Coyle, *Why Pay Taxes*, chap vii, K Frederic, *Taxes and Tax Trends*, chap v, M S Kendrick, *Taxation Issues*, M S Kendrick and C H Seaver, *Taxes*, chap vii, E A Krug, *Why Taxes*, chap iii.

15 **Income Taxes.** D C Coyle, *Why Pay Taxes*, chaps xii, xiv, and xv, H Hill and R Tugwell, *Our Economic Society and Its Problems*, chap vii, K Frederic, *Taxes and Tax Trends*, 39-64, M S Kendrick and C H Seaver, *Taxes*, chap iii

16 **Sales Taxes** Consult D C Coyle, *Why Pay Taxes*, chap viii, K A Frederic, *Taxes and Tax Trends*, chap viii, E A Krug, *Why Taxes*, chap iv

CHAPTER 33

GOVERNMENT FINANCE IS A CONCERN OF EVERY CITIZEN

★★★

Increased services of government mean increased costs These must be met by borrowing or by more and larger taxes Borrowing means greater debts, which may endanger the structure of our democracy Except in emergencies, the nation should try to pay as it goes

★★★

Benefits Received from Taxation

Services Which We Receive for Our Taxes The taxes which we pay enable the government to perform thousands of useful services for our convenience and comfort Let us examine some of these commonplace services, which most of us accept with little thought

Did you ever stop to think what it would cost to employ a private policeman to protect your property? Most of us could not afford such a luxury But if you wake up in the middle of the night and hear someone attempting to break into your home, the police will quickly respond to your telephone call Your taxes pay them to protect your life and property

If one of the children in your neighborhood becomes ill with scarlet fever, a public health officer immediately quarantines the family to prevent an epidemic Your taxes pay him to take precautionary measures to protect your family, and the others in the community from possible exposure to disease

You may have heard a neighbor complain that he has paid a lot of money for that strip of pavement in front of his property He would probably be the first one to object if he had to drive in ruts and mudholes Paved streets for main thoroughfares are considered a necessity today, and they must be paid for out of tax money

There is still another striking illustration of what can be accomplished with the taxes you pay Perhaps when you visited your grandmother in the country you noticed that she had no electric lights, running water, nor a means to dispose of sewage If you enjoy these conveniences in your home, your taxes have helped to pay for them The original cost of public utilities, such as a municipal light plant,

a garbage incinerator, or a sewage disposal plant, is paid for out of taxes

Taxes make possible a great many other services which enrich our lives Your taxes pay the soldier and sailor to defend our country They build post offices and pay postal employees to deliver the mails Your taxes pay public officials to inspect the butcher's meat, the grocer's scales, and the dairyman's herd of cattle They help to build public parks, playgrounds, and recreational facilities Taxes enable cities to maintain extensive systems of traffic lights for our safety. Taxes build bridges to connect highways over valleys and streams They pay for courts, jails, and penitentiaries Taxes build hospitals to care for those who cannot afford medical aid Public institutions are provided by taxes to house the poor, the insane, the feeble-minded, and delinquent children Taxes provide workingmen with old-age pensions, unemployment insurance, and compensation for injuries Teachers, lawyers, doctors, dentists, nurses, and embalmers are examined and licensed by the proper authorities, who are paid from public revenues Taxes pay for the inspection of banks, insurance companies, and restaurants, they provide for the regulation of food and the sale of drugs How many of these things would you care to give up if the government agreed to omit a part of your taxes?

How Taxes Support Co-operative Community Efforts. We have all learned how to profit by pooling our efforts with each other We support many social activities through co-operative effort, such as the Y M C A , a church, a lodge, a country club, or a golf course We enjoy their benefits because many people, all contributing a small amount, make them possible

We likewise support many private enterprises in the same manner For example, our public officials may grant a franchise to a gas company This means that the company has a monopoly—no other company can compete with it However, its activities are regulated by the government The company furnishes us with fuel to heat our water, to cook our food, and to warm our houses If large numbers of consumers use gas and pay their bills, this private utility helps them to enjoy a convenience at a price which would be impossible except through co-operative effort The company makes a reasonable profit on its product, and we secure services at lower costs

In the same manner, we purchase services of a public nature through co-operation A good example is a public library Suppose the people in your community vote bond issues to build a new community library It will be equipped with reading rooms, stacks to

house the books, conference and lecture rooms A trained personnel will buy and catalogue the books, magazines, pamphlets, and slides, and otherwise provide you with valuable educational services For a very small sum in taxes each one of us is able to use this institution for study, recreation, and leisure Realizing that the greatest recreation of the American people is reading, try to imagine the cost of buying all of the books you read You would have to spend over $100 a year if you read 50 worthwhile books Compare this with the small amount of your tax money that is used to support your public library

Once a community project has been decided upon, then taxes to support it are compulsory If each individual was compelled to purchase his own water system, to pave his own strip of street, or to educate his own children, we would be living in slums and ignorance, because very few people could afford these luxuries By pooling our resources through taxes, we purchase services at reduced cost Everybody enjoys them by sharing the expenses

How Taxes Provide for Educational Opportunities. Free public education accounts for a large share of the recent increase in public expenditures With the growing sentiment against child labor, compulsory educational laws have raised the age limits for school attendance This has greatly increased the school enrollment In many cases the school year has been lengthened Additional physical equipment must be provided for housing pupils More teachers must be employed Administrative costs have increased as curricula have been broadened to meet the varied interests of child life Teachers' salaries have been raised to compensate for higher costs of living, and for additional training which they must secure to meet higher educational standards Many states have set up school foundation funds, out of which the poorer school districts receive enough money to guarantee a minimum amount of education to every child Rural schools have also been consolidated in an effort to offer equal educational opportunities to children on the farm In 1936 it was estimated that the nation spent three billion dollars for public, private, secondary, and higher education This constituted between 5 and 6 per cent of the national income In 1936 the federal government granted nearly 11 million dollars as state aid for vocational training, and over 7½ million dollars to agricultural colleges and experiment stations

How Taxes Furnish Us with Public Highways Another large item in government expenditures is the construction and maintenance of public highways At the turn of the century the money spent for this

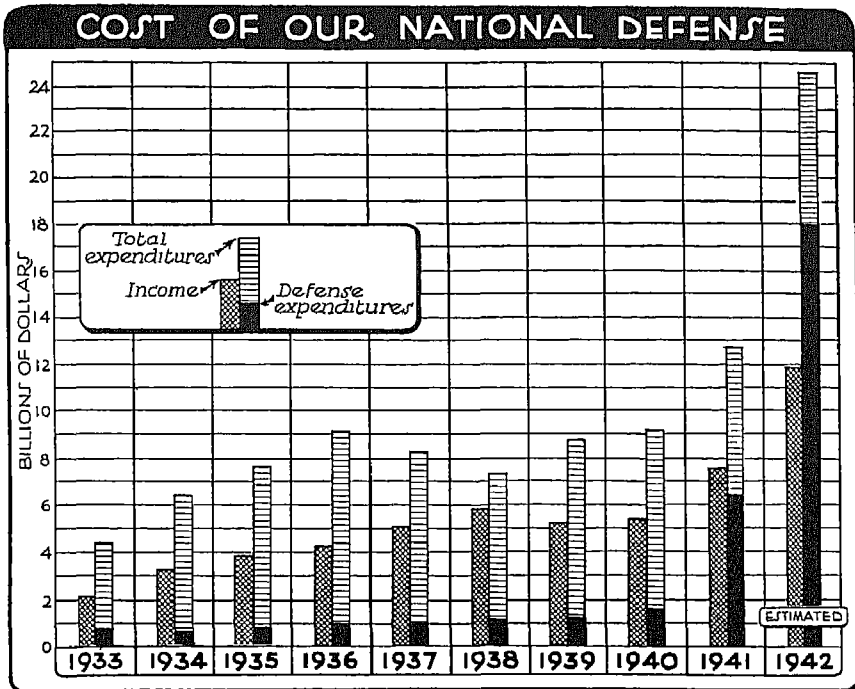
purpose was almost negligible Today, however, huge expenditures are required to build hard-surfaced highways We have over three million miles of such roads in the United States—more than in all the countries of Europe. The Bureau of Public Roads reports a motor vehicle registration of over 31 million automobiles—more than one for every five persons The registration fees on these cars amounted to over 400 million dollars in 1939, and the tax on gasoline consumed was about 870 million dollars Most of this money is spent on roads.

Farm Security Administration, photo by Rothstein

One great advantage we all get from taxes is good roads. Without taxes, most of our roads would still be like this one in Illinois

Over half a billion dollars was used to acquire new rights of way, for road and bridge construction, and we spent an additional 225 million for upkeep This is an item which will undoubtedly keep increasing. More demands will be made for wider roads, grade crossing eliminations, and such features which will provide for speed and safety in the future

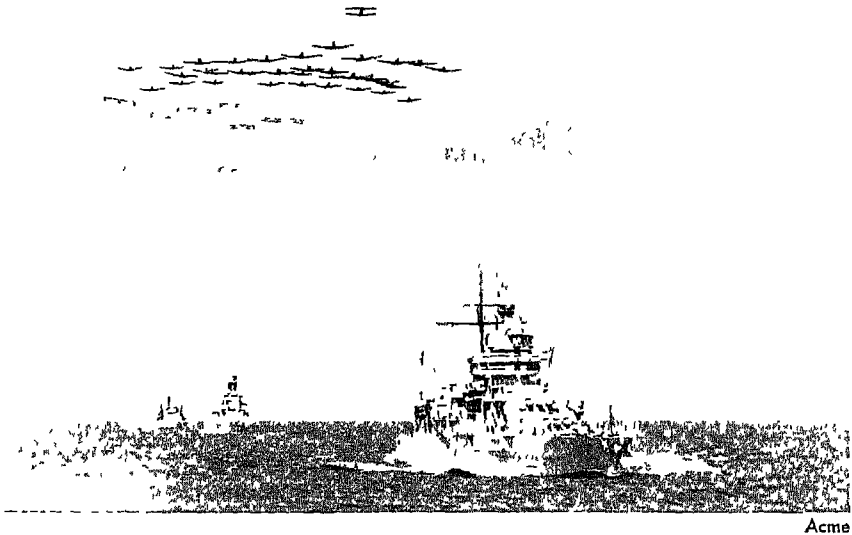
Taxes Pay for the National Defense and Past Wars. Large sums of money are spent annually by our government to maintain national defenses Soldiers must be supplied with food, clothing, guns, and ammunition The navy must have battleships, docks, and harbors Modern invention often makes a battleship or an airplane obsolete overnight Therefore, our forces must be supplied with modern equipment—cruisers, submarines, gas-masks, machine guns, tanks, pursuit

ships, and giant bombers Most of our army equipment is now motorized, enabling soldiers to move rapidly from place to place The following chart shows the cost of national defense for the years indicated

We consider expenditures for protecting the country necessary, though war is always wasteful and unproductive

Nations never have the immediate cash to fight wars, so they borrow the money After we entered the First World War, our national debt rose from nearly 3 billion dollars in 1917 to over 25 billion dollars in 1919 The money was raised by issuing bonds, which were sold to the people Congress later granted our veterans a bonus which necessitated further borrowing The expenditures for veterans' pensions and benefits totaled nearly 600 million dollars in 1938 Some of this is spent for the upkeep of government hospitals where disabled veterans are cared for If someone could find a sure way to guarantee peace and abolish war for all time, it would save millions of dollars which could be spent for productive and creative efforts

Other Uses of Our Tax Money. The national government is undertaking many more activities than it did 25 years ago It controls

and regulates transportation, communication, commerce, industry, public health, the conservation of natural resources, sanitation and irrigation projects, control of plant and animal diseases, maternal and child welfare, vocational education, and scientific research Congress recently appropriated 800 million dollars for housing and slum clearance Our relief and recovery bill cost us over two billion dollars in 1938. Nearly 400 million dollars was spent for an agricultural pro-

Acme

National defense is one of the first and greatest benefits received from tax revenues Here is the U S Battle Fleet in the Pacific.

gram and 325 million dollars for the Civilian Conservation Corps This increase of social activities has had an upward trend in the last decade At present there is not much evidence that it will be materially decreased in the future

Many contend that the government has entered certain fields of activity which by their very nature are the essence of collectivism Others see the government giving aid to its people in time of great social need In his book, *Man and Machines*, Stuart Chase speaks of these government activities as the "great adventure" It is "the boldest, most exhilarating, most dangerous adventure that ever challenged the intelligence and spirit of mankind" Right or wrong, these

activities have been accomplished, not by revolution, but by evolution through the orderly processes of government.

Taxation as a Weapon for Social Control Taxation is also a weapon which the government may use to control social and economic activities. For instance, when prohibition was repealed, it was necessary to pass laws to control the liquor traffic. Heavy taxes were imposed upon alcoholic beverages to discourage their use. Manufacturers and dealers were required to secure licenses. This gave the government control over the sale and manufacture of intoxicating liquor. Closing hours were regulated. The sale of liquor to minors was forbidden. A driver's license can be revoked for operating a car while intoxicated. Taxation thus becomes a weapon used for the purposes of restraint in the interests of public welfare.

Taxation may also be used as a means to encourage private enterprise. In the past, manufacturing has been the chief beneficiary of a high protective tariff. Duties were placed on foreign goods which competed with our own manufactured products.

Taxes on oleomargarine are a help to the dairy industry. Likewise, a chain-store tax helps the independent merchant by protecting him from big business. An undistributed-profits tax aids the stockholder to get his earned dividends.

Our tax system provides other regulatory measures. Tax money is used to regulate interstate commerce, to regulate wages, hours, and working conditions. Monopolies may be curbed by taxing corporate incomes. Wealth may be controlled by taxing corporate incomes, or it may be distributed by taxing personal incomes, estates, and inheritances. Taxes may be used to control lotteries, race-tracks, and gambling. The income tax law helps the government to run down crooked gamblers and racketeers. Taxation enables us to solve many of our social questions without the loss of individual liberty and freedom. It enables us to maintain the democratic processes of government.

PUBLIC FINANCE

Who Pays Taxes? Every person who spends money pays taxes in some manner. Even though you own no property, you are helping to pay the national tax bill every time you hand your rent to the landlord, buy groceries, or drive an automobile. Some pay more taxes than others. Much depends upon income. The rich may pay more taxes than the poor. It hurts them less, however, even though they must give up a larger proportion of their earnings.

If you have a large income, or have fallen heir to an estate, you must

pay taxes directly to the government A direct tax is one that cannot be passed on to another person by the one from whom it is collected Other examples of direct taxes are those placed on property (buildings on property are an exception, as taxes on them can be passed on to the tenant), gift taxes, and poll taxes

If you take a friend to the movies once a week and purchase 50 cent tickets, the government receives about $6 00 as amusement tax from you each year

A cigarette smoker who consumes one package a day pays the federal government nearly $25 annually (exclusive of state taxes)

If your state levies a sales tax of 3 per cent, and you spend $800 a year on consumer's goods—food, clothing, etc—it will cost you $24 in taxes

If you drive a car 15,000 miles a year, add from $10 to $15 to your federal expense account for taxes on gasoline, motor oil, and accessories

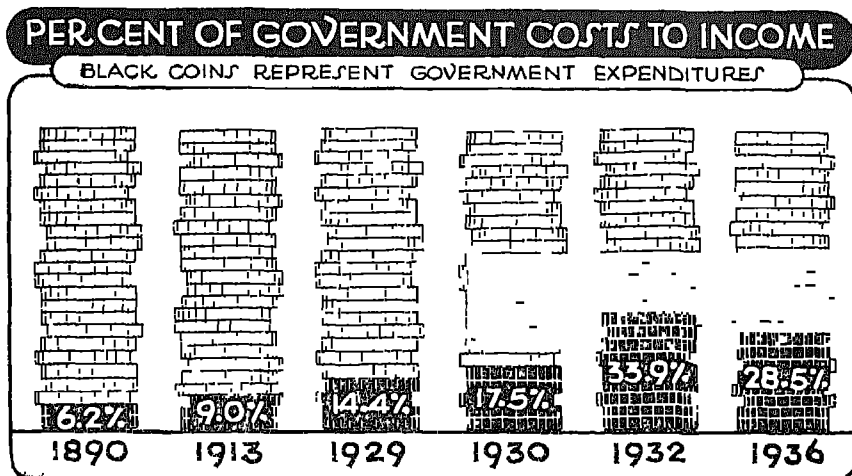
These taxes are indirect or hidden, for they are added to the price of the goods The purchaser is not always aware that he is being taxed because he pays indirectly The person who has an indirect tax imposed upon him by the government may pass it on to someone else This is called shifting The landlord, for instance, may pass part of his taxes on to the renter

Direct taxes are preferred to indirect taxes because it makes the citizen tax-conscious If everyone realizes that he is doing his share of tax paying, this factor alone should act as a force for good government Great pressure for economy and efficiency will be exerted if people know that they are helping to "foot the bill"

What Part of Our National Income Is Spent for Taxes? In 1936 the total expenditures of government in the United States amounted to 17 billion dollars, or $132 for each man, woman, and child in the nation The federal government spent over eight and a half billion dollars, about 50 per cent of the total, the state government spent six billion dollars, or 35 per cent of the total, leaving 15 per cent, or two and one half billion dollars for local government

Another way to gain a clear picture of our present tax situation is to note what per cent of the national income goes for government expenditures This is shown by the chart on page 555

This is low in comparison with other countries, when we spent 28 5 per cent of our national income for taxes, Great Britain spent 29 7 per cent, and France 39 9 per cent

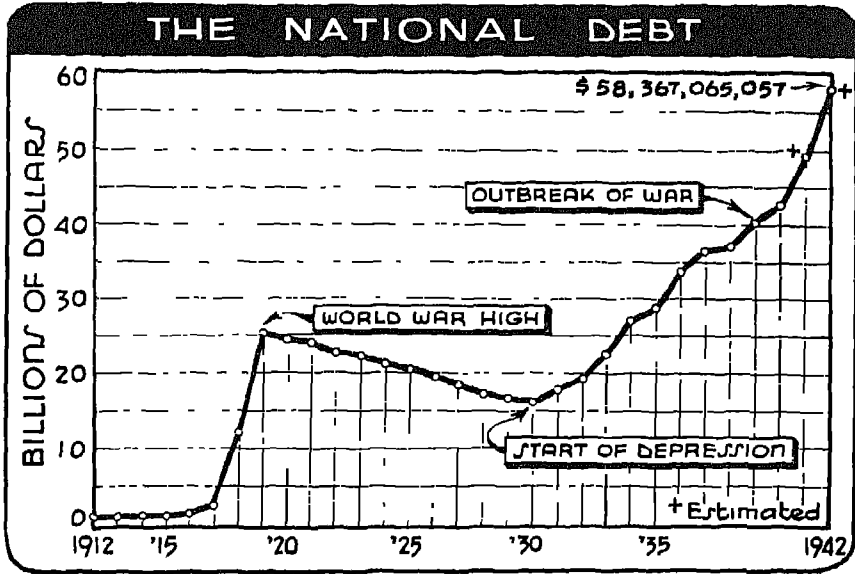
Statisticians tell us that the expenses of running the government are six times higher today than they were in 1913 However, it is often

misleading to compare government taxes of one year with another Other factors must be considered to arrive at true costs We have a much greater population than in 1913 By comparing per capita costs of the two periods, we find the difference to be 4 3 times greater today

We must also consider the purchasing power of the dollar In years when the national income is high, the costs of government are increased In such cases, times are good, money is plentiful, wages are higher, and taxes, therefore, are easier to pay

All of us can readily observe that taxes are on the increase We must see that the government gives us increased services, that taxes benefit the national welfare If the money is being wasted by government extravagance, it is up to us as citizens to voice our protest strongly in the interest of thrift and economy

The National Debt. The money which the federal government owes is called the national debt In 1913 this debt was a trifle over one billion dollars It increased steadily, owing to the First World War, until it reached a peak of 25½ billion dollars after the war This sum was steadily reduced until 1932, when it was cut to about 19½ billion dollars It is also interesting to note that while the federal government was reducing its debts, municipal governments increased their indebtedness to nearly 11 billion dollars

Because of the depression, our national debt has increased steadily since 1933 Recently the costs of defense have added greatly to the national debt These increases are shown by the chart on page 556

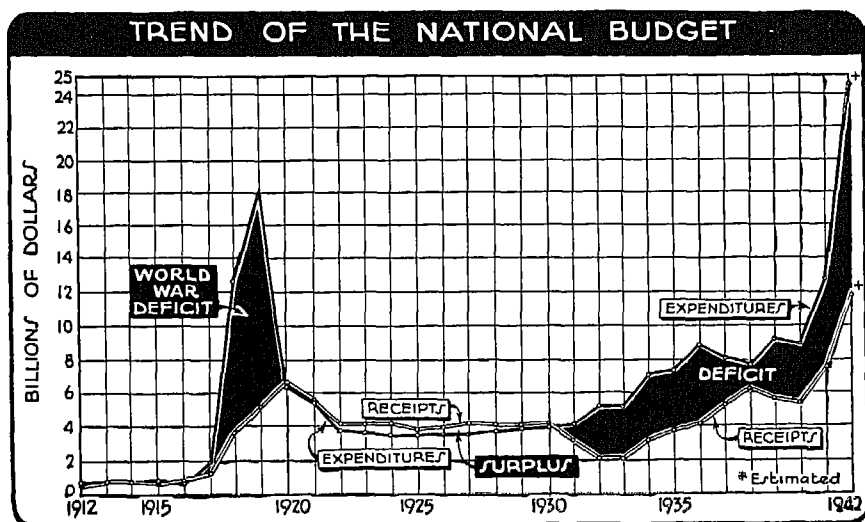
The total public debt of the United States, federal, state, and local, in 1939 was over 55 billion dollars, which equals about 17 per cent

of our national wealth. At the same time, the public debt of England was equal to 48 per cent of her national wealth, of France 41 per cent The interest on our total debt, in 1936, equaled $6 45 per person, per year In England it was $22 83 per person, in France $16 31

The national government spends nearly a billion dollars a year for debt service This means paying interest on bonds, redeeming bonds, or putting money aside to retire bonds which mature in the future. The latter is called a sinking fund

It has been suggested that our government change its form of bookkeeping and adopt the usual business practice of separating capital investments from the operating budget If a business firm borrows a million dollars to build a new factory or to add new equipment, this is a capital expenditure and adds to the wealth of the company. Our government likewise adds to its capital investments by building power dams, bridges, good roads, and schools In the national budget of 1938 there are two items called Investments and Acquisition of Property which total $1,630,000,000 These are definite capital expenditures Another item called Recovery and Relief expenditures up to October 31, 1936, totals 17 billion dollars, of which 7 billions are repayable None of these is listed as capital assets There are other federal debts which may be classed as self-liquidating, such as loans made by the Home Owners' Loan Corporation and the Reconstruction Finance Corporation Debts have also been incurred for intangible assets whose value cannot be readily measured The work of

the Civilian Conservation Corps is a sound investment in conserving national resources and rehabilitating boys In 1936 the federal government planted over 200 million trees at a cost of nearly two million dollars Bonds were issued and the national debt was increased, but the budget did not show that the growing trees were an asset to the nation Soil conservation costs money, too, but the true assets for this expenditure are not readily measured Many sound government investments are thus concealed in the current expense account of the government, because the budget does not show a distinction between ordinary spending and investment If the money is used to conserve human resources, part of the debt may represent national assets, especially when used to build and create, or to relieve human suffering

The present generation may not live to pay the present national debt That will be up to our children, if they decide to meet these obligations Debts may be paid or repudiated, wholly or in part The results of the latter course would be disastrous to our national economy

The Budget. A budget is an estimate of government receipts and expenditures for a given year The purpose of a budget is to keep the expenditures within the probable income Sound public financing demands that budgets be balanced, which means that no more money is to be spent for operating purposes than has been received in taxes Since 1931, however, our government has gone continually "in the red," by spending more money than the total taxes collected Bonds are issued and sold to the public to pay for the deficit Here are the figures showing budget deficits since 1931

You may be alarmed when you see that our expenditures were nearly tripled during the last decade. Conditions have changed and emergency spending may be important in an economic crisis. More alarming, however, should be our failure to balance the national budget. Everyone is agreed that in the interests of good financial housekeeping these annual deficits must be eliminated as quickly as possible. There are two ways to do this, (1) by reducing expenditures, or (2) by raising taxes. Not everyone agrees upon which course to take. Both remedies are unpopular with certain classes of our people.

Weaknesses in Our Taxing System

Differences among States. Experts agree that there is need for a co-ordinated tax structure in the United States. At the present time there

Farm Security Administration, photo by Vachon

This motorist is advertising the fact that Nebraska has very low taxes, hence it is called the "White Spot."

appears to be little tax uniformity, as our states maintain 48 different tax systems. Taxes between some states vary as much as 1,000 per cent. Some time ago the per capita tax in Maine was $58, in Massachusetts over $85. Some states have more taxable wealth, others have increased their functions, and provide greater services. Some of this difference may be due to extravagance and waste.

Double Taxation. Another weakness in our tax structure is that of double taxation A congressional committee recently found over 325 examples of double taxation A merchant may pay a property tax on his business and an income tax on its earnings Mortgages may be taxed because they are income-bearing In addition, the full value of the mortgaged land may be taxed

Again, the federal government levies estate and gift taxes All states now have death taxes, except Nevada, and three states levy a gift tax The federal government levies a tax of 1 cent a gallon on gasoline Three states, Florida, Louisiana, and Tennessee, charge 7 cents per gallon, Missouri and the District of Columbia levy 2 cents a gallon In 1935 tobacco was taxed by 19 states, corporate incomes by 29 states, and personal incomes by 30 states Enormous taxes are collected on liquors, corporations, and public utilities by both branches of government The tax system could be simplified by separating the various sources of revenue There is need for an equalization of taxes which would prevent this overlapping, and taxing people twice Thus, if a citizen pays an income tax to the state, he would be able to subtract most of it from his federal income tax

Multiplicity of Tax Levying Authorities. Property taxes are levied by nearly 175,000 different political subdivisions—counties, cities, towns, villages, boroughs, school districts, townships, and others Nor is there uniformity in methods of assessing In rural districts people are still burdened with the upkeep of units of government which serve no useful purpose The functions of government could become more economical by having centralized tax collectors

Delinquent Taxes The burden of local taxes became so great in 1932-33 that over 900 million dollars' worth of property was reported delinquent This means that taxes had not been paid when due To relieve property owners of the crushing burden of taxes, it was necessary for the states to find new sources of revenue The result was taxes on sales, liquors, and incomes These taxes are collected at the expense of local districts Once in the state treasury they are used for general purposes The legislatures are reluctant to return them to local subdivisions For instance, it has always been a question just how much gasoline tax should be returned to the cities, which have gone to great expense in paving their streets Much gasoline will be consumed on these thoroughfares and property owners would be greatly relieved if municipalities received even a fraction of their share of taxes in return

The Burden on Private Enterprise. Governments must equalize

their taxes so that business enterprise is not materially discouraged Private enterprise is still the foundation of our democracy It must be given a chance to work. If taxes on business become too oppressive, private capital will not be invested in further productive ventures Rather, it will find safety in government tax-exempt securities

Taxes Should Add to Our Prosperity. In conclusion, there are certain practices of taxation that could be helpful in solving this problem.

1 Taxes should purchase useful services at reduced costs
2. Taxes should be reasonably distributed to encourage private enterprise.
3 Taxes should be spent for productive purposes
4 Taxes should not be wasted by graft and inefficiency
5 Taxes should not destroy the people's purchasing power by placing levies on consumer's goods, thereby increasing their cost

Unit Summary

Co-operative effort to solve problems in our democracy has meant, in practice, increased government activity The costs of these new services have been met by new and haphazard additions to our taxing system or, in recent years, by borrowing The whole problem of taxation and debt is one which must be squarely faced As the national defense effort proceeds, the national debt is sure to rise to unprecedented figures What are we going to do about it? We have no right to pass on to our children any more of a burden than is absolutely necessary True, we cannot pay these current emergency expenses out of current income We must borrow, but, if we are honest, we should revise our taxing system and make every effort to pay as much of our present costs as we can

WORDS FOR UNDERSTANDING SOCIAL LIVING

1 Try to use these words in relation to the ideas of social living they suggest direct tax, hidden tax, shifting, incidence of taxation, public debt, national income, budget, sinking fund, expenditures, deficits, double taxation, delinquent taxes, taxes for social control

INFORMATION, PLEASE!

2 **a.** Enumerate some of the services we receive in return for the taxes we pay **b.** Explain the meaning of, "Taxes help to support co-operative com-

munity efforts" c Show how taxes are spent for public education, public highways, national defense, and war d Give examples of how taxes may be used as an instrument for social control e Distinguish between direct and indirect taxes and show why one is easier to collect than the other f. Show the relationship between public expenditures and the national income g. Explain the national budget and show how it could be revised to represent capital expenditures as assets h. Enumerate the weaknesses of our taxing system, and show which, in your judgment, works the greatest injustice on the taxpayer

CAN YOU THINK?

3 **a.** Would you favor taxing people on the pay-as-you-go principle, rather than incur heavy debts by borrowing to meet increased government expenditures? Why? **b.** Are the following statements true (1) "the power to tax is the power to destroy," or (2) "the power to tax is the power to keep alive"? **c** How can taxes be used to control the following social activities (1) encouragement of private enterprise to build low-cost houses, (2) regulation chain stores, (3) relief and unemployment, (4) development of conservation, (5) promotion of education? **d** Do you think churches, lodges, cemeteries, and schools should be taxed? Why? **e.** "Our government should not tax people in order to perform activities that compete with private enterprise" Discuss

WE LEARN BY DOING

4. **Committee.** Let a committee of four examine carefully (a) the national budget, (b) your state budget, (c) your local budget, (d) your school budget Report findings to the class

5 **An Investigation.** Visit your county treasurer and find out the amount of tax delinquency in your county Compare this sum with 1933 delinquencies Try to find out the legal procedure in your state in case of delinquent taxes Report to the class

6 **A Special Report** Make a list of the taxes which your family pays to your local government, your state government, and to the national government

7 **Graph.** Make a bar-graph showing the fluctuations in the per capita public debt of the United States since 1870 See *World Almanac,* 1941, 756

8 **Panel Discussion.** Arrange a panel to discuss the proposition that the federal government should call a national tax conference to study means whereby the tax structure of the nation can be made more just and effective

9 **Cartoons** (a) Show how taxes can help to distribute the national income (b) Increased taxation permits us to do things collectively rather than individually

WE READ FROM OTHER BOOKS

10 **What Our Taxes Buy** Consult D. C Coyle, *Why Pay Taxes*, chaps i-v, M S Kendrick and C H Seaver, *Taxes*, chaps i, ii, iv and vi, E A Krug, *Why Taxes*, chaps i and iv

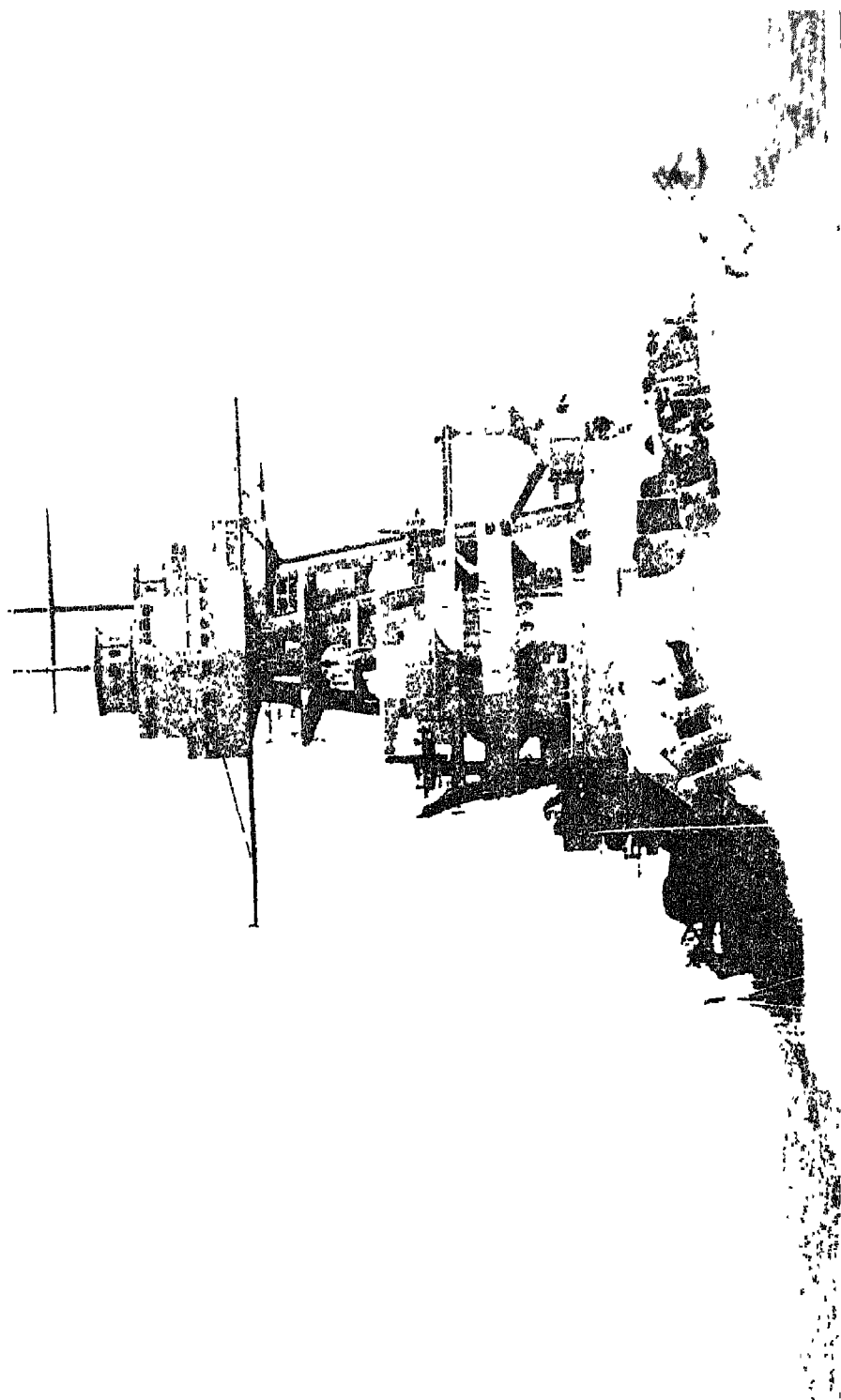
11 **The Growing Costs of Governments** Consult M S Kendrick and C H Seaver, *Taxes*, chaps iii, v, and vii, E A Krug, *Why Taxes*, chaps v-vii, H Cummings and E B Sackett, *Our Schools*, chap vii

UNIT XII

DEMOCRACY IS CHALLENGED IN A HOSTILE WORLD

****

34. THE FORCES OF TOTALITARIANISM ARE THE ENEMIES OF DEMOCRACY

35. THE CITIZEN OWES DEFINITE DUTIES AND OBLIGATIONS TO HIS DEMOCRATIC STATE

CHAPTER 34

THE FORCES OF TOTALITARIANISM ARE THE ENEMIES OF DEMOCRACY

★★★

Totalitarianism is the opposite of democracy. By their very natures, dictatorships are unable and unwilling to live at peace with the democracies. These forces are bent upon the destruction of democracy, for democracy presents a challenge to them, though in a different way than it does to us. Every American has a stake in this struggle.

★★★

Imperialism

Today the world is locked in a great struggle between totalitarianism and democracy. The nations of the world are engaged, to a greater or lesser degree. All the nations on the side of Great Britain are not democracies. This sometimes obscures the issue that the fate of democracy throughout the world is at stake. Germany has no illusions on this point. The *Volkischer Beobachter* has written, "Our fight is directed against a world whose political and economic order we regard as antiquated and destined to perish. . . . There will be no peace until a new national-socialist order sweeps the whole world." Hitler's *Mein Kampf* also supports this view.

Totalitarianism is a new combination of imperialism and nationalism running wild. All nations have national ideals and national aspirations. Most have been imperialistic if they were able to be. These forces have been at the bottom of most wars of the past. They are present today. But, in Germany, they are combined in a plan for a "new order" that threatens not only the possessions of democracy, but democracy itself.

Economic Imperialism. 1. *What It Is.* Since the industrial revolution, great wealth has been produced by the industries of Europe. Production reached new heights. But goods had to be consumed if there was to be any point in producing them in such large quantities. Production exceeded national consumption and it was necessary to find new markets in which to sell the goods that were being manufactured. Economics became international. The world was a potential market. Yet, each nation was becoming more and more a producing nation

National Defense—the U.S.S. Arizona
Press Association, Inc.

The building of colonial empires by the manufacturing nations of Europe seemed necessary These empires supplied markets for finished goods and areas from which raw materials could be obtained They also were regions for investment

2 *The British and French Empires* Great Britain is an island kingdom with great sea power that has grown into the largest empire of modern times The self-governing commonwealths and dominions are no longer tied to the mother country by political bonds, although trade and tradition of kingship still hold them together But this seemingly loose organization together with the domination of India and East Africa, the trade concessions in China and Malaya, the spheres of influence in Egypt and Asia Minor have all aided in increasing the wealth and the power of the British middle class While all of the great nations of the western world have used imperialistic practices in gaining power and wealth, the British Empire has been one of the outstanding examples of such techniques

During the nineteenth century, France used the same methods to build a great African and Oriental empire Following the Fashoda Incident in the late nineteenth century, France carved out the huge western African colonial domain It was at this time that she and Great Britain reached an accord on their affairs in Africa Great Britain would remain in the East, France in the West, and by so doing they would not interfere with each other France also developed Oriental holdings

3 *Conflict With Germany and Italy* Germany and Italy became unified nations in 1871 They were not ready for colonial expansion until the '80's of the last century By this time, both England and France were well on their way toward completing their vast colonial domains The result of this was that Germany and Italy were handicapped in attaining colonial empires that would be comparable to those of France and England Much of the territory that had been available had already come under the influence of these two nations Colonial conflicts between France and England on one hand and Germany and Italy on the other, became the order of the day

Before 1914, Germany obtained German Southwest Africa and German East Africa, and some of the smaller islands of the Pacific Italy, through a short war with Turkey, was able to acquire Tripoli and Cyrenaica, but the conquest of Ethiopia had to wait until our own times The imperialistic ambitions of the European nations were obviously in conflict

4 *The Western Hemisphere* While this was going on in Europe, a similar process was being developed in the Western Hemisphere by the United States After the Civil War, we became a great industrial nation The forces of industry came into control These interests encouraged our government to expand beyond the nation's borders Southward we moved until our economic interests dominated Central America American money was invested and American soldiers protected those investments The terms "big stick" and "dollar diplomacy" describe our policy in the Caribbean for more than 25 years Keeping order meant that these nations had to have peace that would lead to dividends on the investments that were held in the United States We also expanded into the Pacific Hawaii, the Philippines, and other islands became part of the American imperialistic system The open-door policy in China also came into being

By 1900, the nations which controlled the western world were following similar economic policies They were highly developed industrial states Frequently, they found themselves in conflict with each other over various sections of the earth which were either spheres of influence or investment areas

Imperialism after the World War 1. *The Continued Struggle for Possessions* Imperialism was one of the major causes of the First World War The defeat of Germany removed the chief force that had disturbed the peace of the world The League of Nations was formed to maintain peace, but lack of co-operation within the League, together with the refusal of the United States to join, defeated its purpose of peaceful change

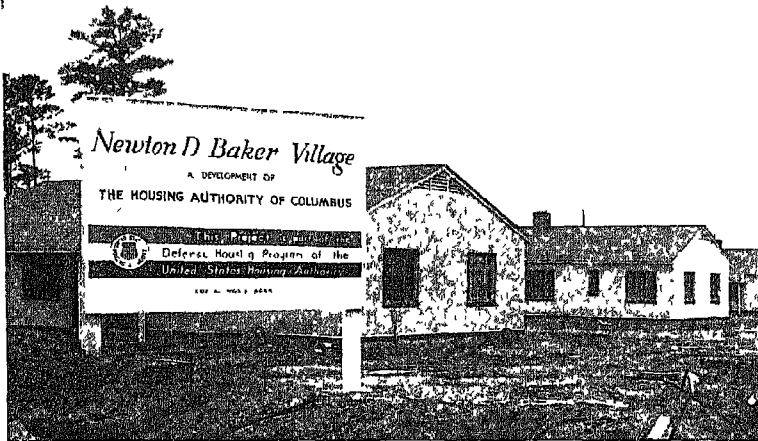
Germany, Italy, and Russia soon came back as nations which threatened the power of France and England In the East, Japan accepted totalitarianism Japan, Italy, and Germany found that they did not have enough raw materials to make themselves self-sufficient There were no unclaimed areas on the earth that could be taken for the asking

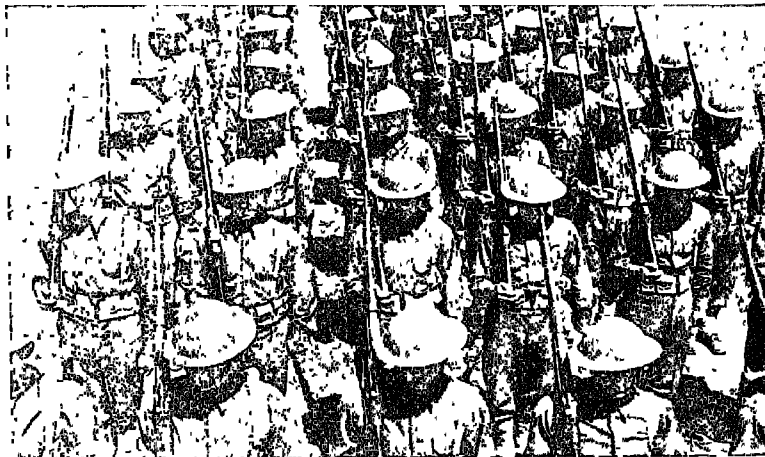
A new terminology came into use during this period We began to hear about the "have" and the "have not" nations of the world The nations that had the lion's share of the world's goods discovered that there was another group of nations that had very little of the world's goods These latter nations placed themselves upon a war economy and began to build huge war machines, which were used for two purposes (1) as the force behind power politics, and (2) for actual war to get what they wanted Thus, we have combat between the

"haves" and the "have nots." The imperial strife that preceded the First World War appeared again.

The "haves" tried to maintain what they had with the least amount of effort. This was indicated in the "appeasement policy" of the British Empire during the late 1930's. The British were perfectly willing to allow the expansion of Italy, Germany, and Japan so long as it did not interfere with vital British interests. France followed a similar policy. When it became clear that Germany would not be satisfied with anything short of the destruction of the British and French nations, Great Britain and France were forced to discard appeasement and fight.

2. *Power Politics.* German imperialism and nationalism have led to the breakdown of international morality. The intercourse between nations has descended to a plane of push and grab. The rules of international law have been disregarded. The major object of international relations has become the attempt to acquire territory through bluff or war. This worked well for the dictators during the decade 1930-40. Germany was able to acquire Austria and Czechoslovakia by this method. She was able to scrap the disarmament clause of the Treaty of Versailles and also the clause regarding the demilitarized zone in the Rhineland. Italy was able to walk into Ethiopia and Albania by using the same technique. Japan was able to set up the puppet state of Manchukuo and to make plans for another such state in the five northern provinces of China. All of this activity was allowed to proceed with little opposition from Great Britain and France. However, the move to South China by Japan and the march into Poland by Germany were different matters. In both of these moves the power, the prestige, and the very existence of Great Britain and France were endangered. The result was the declaration of war against Germany and a harsher diplomatic front against Japan. On December 7, 1941, when Japan declared war on the United States and Great Britain and attacked our bases in the Far East, the Second World War spread to our hemisphere. For the second time in the twentieth century, the world is engaged in a war that has as its basic cause imperialism. It is a new kind of imperialism which aims not at colonial possessions but at the economic control of the world.

3. *The Western Hemisphere.* In the Western Hemisphere we have witnessed a change in the imperialistic policy of the United States. The Monroe Doctrine was originally administered to the advantage of the United States. This has been changed, especially since the Conference in Lima, Peru, in 1939. We have adopted a mutually co-operative policy with the nations south of the Rio Grande. The Latin

Farm Security Administration, photo by Marion Post-Wolcott

Farm Security Administration, photo by Lee

Farm Security Administration, photo by Dixon

National defense activities—A Defense Housing project (top), training defense workers (center), the citizen army (bottom) These are the symbols of American determination to defend the American Way of Life. It is our answer to the Challenge of Democracy from without.

American nations have come of age in the diplomatic sense The Good Neighbor Policy of the United States is an extension of democracy in international affairs It has been prompted by genuine feelings of good will and by the clear need for unity in this hemisphere The United States is now making every effort to build up her trade and diplomatic agreements with these powers to keep totalitarianism out of the Western Hemisphere

Democracies have been guilty of imperialism in the past But in the last 20 years, their imperialism has eased and diminished to the point where co-operation was a real hope The British Empire has become the British Commonwealth of Nations Ireland is self-ruling Iraq became independent Egypt was on the road to independence when this war started A difficult problem of adjustment was going forward in Palestine Plans for self-government in India were considered The United States exchanged its policy of the Big Stick for the Good Neighbor before the rise of Hitler The Philippines are on the road to independence Democratic possessions were moving toward co-operation when this new imperialism that would enslave the world struck But to say that this is "just another imperialistic war" is to miss the whole significance of current affairs

TOTALITARIANISM

Nationalism. Nationalism is an expression that denotes barriers against those outside of the group The unity of the group gives those inside the feeling that they are different and superior It is brought about by the idea of the unity of a people, and is built on a common language, common customs, common traditions, and most important, a common goal Through this, cultural and racial traditions are developed

Patriotism is love of country It is natural and proper and does not need to exclude a recognition of the values and virtues of other countries If it becomes largely or wholly self-centered, it changes to nationalism This may be fostered by the press and the radio. The aim is to give to the masses the feeling that they are superior to other peoples They are informed that this position and power must always be maintained for their good To keep the people alert to this major issue, it is necessary to keep before them the idea that their security is dependent upon vigilance and the protection of their trade lanes, their economic policy, and their national honor German insistence

that they are the only superior people in the world and so should rule the world is nationalism in its ultimate stage

Nationalism and Dictatorship. The philosophy of nationalism has been the bulwark of Hitler and Mussolini They came into power because the national interests of their countries had been disregarded They indoctrinated the people with the idea that the state was more important than the people Man was important only insofar as he served to fulfill the destinies of the state His rights were taken from him, and in return he was granted security This security was obtained through work on national projects and by conscription into a citizen army The state became paramount and this led to complete totalitarianism To bolster the national prestige the leaders found ways to add glamour to the state Russia developed the idea of the social consciousness of the proletariat Italy identifies itself with ancient Imperial Rome Germany has brought back into play the racial myth of pure Aryanism and the Pan-German economic predominance of affairs in Europe and, eventually, the world

The processes by which these leaders gained control of government were the same in Germany and Italy The dictators became chancellors and premiers by gaining control of democratic parliaments Once they had acquired their majorities, they made all other political parties illegal Supported by their armies, they then began to rule by decree and proclamation Everything they did or decided or proclaimed was good for the people—at least that is what they said

One of the provisions of the Treaty of Versailles was to bring about disarmament But the victorious nations were in no hurry to scale down their armaments The developing nationalism in Germany and Italy naturally led to rearming Although Germany was prohibited to rearm by the Treaty, she did so secretly Thus, in the 1930's, Europe once more became an armed camp with the dictator nations the leaders in rearmament

Totalitarianism. The major totalitarian states of the present are Russia, Italy, Germany, and Japan They are the outgrowth of nationalism, with the exception of Russia They have come into being because of the chaotic conditions following the First World War Because of the promises of the leaders of vigorous political parties, the people accepted them as a solution to their problems Once having gained power, these leaders outlawed the other parties, thus becoming the only party in the nation This single party became all-powerful in the affairs of the state, and the leader of the party became dictator

1 *The Dictator* The dictator rules by proclamation The parlia-

ments no longer function as law-making bodies Their only purpose is to make the people believe that they still have a voice in government In each of the totalitarian states is an inner council which is composed of the henchmen of the dictator It is the ruling nucleus of the nation They are dependent upon the dictator for their position, therefore, they follow his lead with little question

The dictator has arisen to his position through his personality and his magnetism By the sheer force of personality he has convinced a large group in the nation that they will gain security if they allow him to control the affairs of state Thus, all of the dictators have been able to appeal to the psychological turmoil in the minds of the people and present themselves as leaders, for example, Mussolini is known as Il Duce and Hitler is known as Der Fuhrer

Because of the single party which he heads, the dictator has been able to take over complete control of government and to shape the course of events within those nations The result is the totalitarian form of government a government which controls all the affairs of all the subjects of the state, whether they be political, economic, or social This control is aided by the army and the special secret police

2. *Control* Dictatorship has always been built upon the control of the army, which in turn aids in controlling the civilian population Another force of control is the secret police, which is part of the party organization and is made up of special agents of the party Its job is to protect the party and the leader from any uprising on the part of the people or dissatisfied officials of the state Thus, Hitler's Gestapo not only ferrets out dissension among the civilian population of the Reich, but it also keeps an eye on the government officials and lesser leaders. The OGPU of Russia and the secret military police of Italy have the same function

3 *Economics* The economic systems of these totalitarian nations are completely controlled by the governments There is no freedom of enterprise, nor is there any right of private property in the sense that we know it The industrialist is not free to do as he wishes He receives orders from the government regarding his production and his use of profits, which he must obey

Some people looked upon the early fascist state as one that would defend capitalism against the inroads of communism and the growing labor movements Capitalists gave funds to the fascist political parties with the thought that they had found a new organization which they could use to control the government for their own purposes But they were mistaken These parties, which the capitalists had financed,

turned on them once they were in control, and began to nationalize industries. The fascist state slowly nationalizes industries, whereas the communistic type does it immediately upon coming into control.

4. *Propaganda.* These totalitarian governments can exist only when they can completely control the people who make up the nation. They have been able to do just this through various means. Once in power, these governments have completely taken over the press and education. Through these two means, the totalitarian governments have been able to indoctrinate and propagandize their theories of government. Nothing can appear in the press nor can be taught in the schools without the consent of the government. To make certain that this indoctrination does the task it sets out to accomplish, the government allows no expression of thought against its regime. The secret police are constantly on guard for any type of action or thought against the government. By using force and fear and the concentration camp, these governments have been able to force their will upon all the subjects under their control.

5. *The End of Individualism.* The people of Italy, Germany, and Japan have lost their individuality. They are no longer individuals with rights and obligations to each other. They are subjects in a state which is all-powerful. They are cogs in a great machine, and their lives have value only in the degree that they fit into the machine. No longer can these people do as they wish, and live their lives in the way they would like. They are forced to do what the state tells them to do. Instead of government for the people, by the people, and of the people there is government for the state and by the state.

In Germany, the young boy or girl is educated in Nazi-controlled schools. They belong to the Hitler Jugend because they are compelled to. In this organization they are indoctrinated with the ideas and ideals of the Nazi party. It is their preparation for party membership. When they are old enough—about eighteen—they do their labor service. The boy also has his military service to do. The girl is being prepared for her life as a housewife, because Hitler believes that woman's place is in the home.

When these young people reach twenty-one, they are eligible for party membership. But whether or not they are accepted will depend upon many factors. They must be able to trace their lineage back far enough to prove beyond a doubt that they are pure Aryan. They must be firm believers in the Nazi ideology. They must have performed deeds for the party. In short, they must be perfect Nazi material.

The totalitarian states do not believe in individualism. They do not

believe in the philosophy of the dignity of man, nor do they believe that man has the possibility of judging justice and right They do believe that most men belong to a great unknowing herd that can be best controlled by emotions, by the use of force, by fear This herd is to be used and controlled by those who are the government for the good of the government All is for the benefit of the state, not for men Thus, the leaders hold the belief that men are merely animals to be used by and for a favored few, therefore, these men are not and cannot be individuals with inalienable rights

The Quest for Peace

Peace—The World's Major Problem. 1 *Peace Ideas of the Past* When shall we have peace in the world? Men have always had plans for peace In the Middle Ages there was the Truce of God The Church forbade men to fight from sunset on Wednesday until dawn on Monday This plan was used in the closing years of the tenth century Possibly one of the outstanding peace ideas of the Renaissance came from the pen of Dante, in his work *De Monarchia* His main suggestion was world unity and control by an international court of justice Erasmus of Rotterdam also wrote on peace The first great step toward practical elimination of war came when Hugo Grotius published his *Laws of War and Peace* It was in this work that was found the first idea of arbitration as a means of avoiding war and the basis of international law In the seventeenth century, St. Pierre brought forth his plan for perpetual peace based upon compulsory arbitration Jean Jacques Rousseau modified the plans of St Pierre in his book entitled, *A Lasting Peace Through the Federation of Europe* Immanuel Kant, the German philosopher also had a plan for *Perpetual Peace* He saw the way to peace paved by the economic interdependence of nations Through this interdependence, he believed would come the natural elimination of war The last of the peace plans preceding our century was that of the Holy Alliance which followed the Napoleonic Wars in 1815 In this plan, Alexander I of Russia tried to bind the monarchs of Europe to uphold the principles of Christianity, Justice, Charity, and Peace This idea was looked upon by the rulers of Europe as the dream of a visionary and something of a joke besides Although they pledged their word to it, they had no intention of following the ideals laid down in the plan Peace is not the original idea of our century It has been a paramount thought in the mind of man for hundreds of years

2 *Twentieth Century Attempts* We of the twentieth century have

tried at least three plans with the hope of eliminating war They have been the Hague Tribunal, the World Court of International Justice, and the League of Nations The world also has attempted to rid itself of war through the Locarno Treaties and the Kellogg-Briand Pact But today, the world is again at war

In the Hague Tribunal and the World Court, the means for arbitrating problems between states were set up However, arbitration was not compulsory in cases in which national honor was involved National honor was defined as anything that affected the economic and political welfare of the state As a result, these tribunals handled only petty affairs The events of importance, those that might easily lead to war, did not fall under their jurisdiction

The original plan of the League of Nations, as presented by Woodrow Wilson, was a sound idea for the preservation of peace It embodied the principles of international federation and fair play for large and small nations alike But this original idea was perverted by powers who saw in it the possibility of an organization that would help them to control Central Europe

We are no nearer world peace today than we were centuries ago To understand the reason for this state of affairs, we must seek the answer in man rather than in his institutions Some people blame the state of affairs upon the capitalistic system Some say that the cause of war is economic imperialism Others tell us that it is nationalism But behind all of these structures is man, who has built them Thus, in the last analysis, the cause of war is man, not his institutions Man seems to have lost his standard of values and we see uppermost in his mind one of his worst traits, greed

3 *The Basis of Lasting Peace* Many may say that peace is impossible because man will always be greedy Still others will say that you cannot change human nature This is true if we are speaking of the biological side of life, but we can change human attitudes These attitudes are changing very slowly Men, despite this total war, are developing ideas of peace These ideas will in time be transmitted into action This action will change the institutions under which society lives Thus, as time goes on, we will become more democratic, and being more democratic, we will have a society in which peace is possible Pierre Van Paassen in his book, *Days of Our Years,* tells us that we will have peace when we actually live Christianity He is merely repeating the idea of Jenyus, who in 1787 remarked, "But if Christian nations were nations of Christians, there would be no wars"

The Shape of Things to Come A quarter of a century after the First World War nations are again at war In this strife great forces are at work attempting to remake the world Whether one or the other becomes the dominating force in our modern world depends upon the outcome of the present conflict In any case, the world is moving in the direction of an interdependent world economy No longer can we speak of national economics No longer can we exclude one nation or group of nations from the goods of the world which another nation controls

A kind of integrated economy is now taking shape in Europe The control of Western European powers by Hitler is the basis of a new type of economics Entire nations are put into production which is planned to accomplish Germany's goal Some areas are furnishing raw materials, while others are transforming them into manufactured products These areas are closely knit together by the planning of a scientific commission in Berlin Each area fits into the whole as do the parts of a machine The entire machine is functioning for one purpose, the furthering of the fascist or totalitarian idea of social structure People of these countries are to be the slaves of the future The aim of this machine must lead to control of the world, not Europe Hitler has always aimed at a "Welt Reich" (World Realm)

The structure of a totalitarian society is the antithesis of the democratic ideal There is no concept of individualism There are no rights of the individual In this totalitarian structure, man is submerged to the will of the state As a result, we who have the rights of individuals at heart must look upon the present strife as an indication of what is to come in this world of ours We have a decision to make, shall we allow the constant growth of totalitarianism to submerge eventually the democratic ideals which have been the basis of our advancing civilization?

Democracy, too, can lead the way to an interdependent world economy. Its path will be the opposite of fascism It will not deprive the individual of his rights Its method will be one of free co-operation of the areas of the world But to do this, it must awaken to its task Its success will depend upon each of us performing our obligations to the society of which we are a part Nor can we forget that the potential democratic society is world wide in scope

Great Britain, in its hour of strife, became more democratic The inclusion of Labor in the cabinet of Winston Churchill was evidence of the movement away from the fascist elements in Britain and toward a more democratic society This did much to bring the necessary

co-operation among all groups that was a potent force in the survival of the democratic ideal. France, during the summer of 1940, was an example of what happens to a so-called democracy which allows the dormant fascist elements within it to become dynamic. France seemingly was sold out by leaders interested in their own welfare. Their welfare was connected with those who put economics and imperialism above the democratic activities of all men. It is believed that they betrayed the people of France and destroyed French democracy.[1]

U. S. Bureau of Reclamation

Peace and Plenty. The upper reaches of the Colorado river flow through a land where men can be free. This is what we are preserving when we meet the Challenges of Democracy.

Conclusion. The path of America is clear. It must take the lead if democratic practices are to survive in the world today. We must eliminate the elements of fascism, which can be so dangerous in times of crisis. The people, all of the people, must participate in this revival of the democratic way of life. We must not be confused about the way in which the world is moving. Interdependent world economy is the direction and we can shape this economy into a democratic pattern if we will to do so. The co-operation of the 21 Pan-American Republics is a beginning. The completion of this pattern depends upon how much we are willing to give of ourselves to this ideal.

[1] Jules Romains, Pierre Van Paassen, and many others state that Pierre Laval, Marshal Petain, Daladier, and others feared democracy more than they feared fascism. However it is still too soon to know the complete story of what happened in France.

The realization of the democratic ideal will mean the defeat of the totalitarian concept This cannot be accomplished by merely talking about it We must be prepared to make our ideal work To do so will mean that we love democracy more than the fascists hate it It will mean sacrifice on the part of all of us It will mean that we must be willing to be prepared to combat the growth of fascist force wherever and whenever it is necessary And we must defeat it if democracy is to survive

We must all remember that fascism has its basis in the forces of nationalism and economic imperialism We must also remember that there is no democratic state today that is devoid of the elements of both of these forces Therefore, in all of our thinking we must realize that it is just as essential to control and reshape these elements in our present-day democracies as in the dominantly fascist states, if we are to live in a democratic world tomorrow

WORDS FOR UNDERSTANDING SOCIAL LIVING

1. Try to use these words in relation to the ideas of social living they suggest individualism, economic imperialism, patriotism, nationalism, big stick, armaments, totalitarian, "haves" and "have nots," power politics, interdependent world economy

INFORMATION, PLEASE!

2 **a.** Why have most great powers attempted to build up empires? **b** In what ways has the British Empire been the model of imperialism? **c.** Can you cite tendencies of diminishing imperialism in the last 20 years? **d** Why has Germany always been considered the aggressor in European empire building? **e** In what two areas has the United States' imperialistic activity been centered? Is this true today? **f** Explain the meaning of the terms, the "haves" and the "have nots," showing how there is a real basis for such terms coming into being **g** Is there any difference between patriotism and nationalism? **h.** What are the characteristics of totalitarianism? **i** Why is a system of international, interdependent economics inevitable if we expect a lasting world peace? **j.** What are some of the fascist tendencies within democratic states?

CAN YOU THINK?

3 **a** Why was economic imperialism the natural outcome of the Industrial Revolution? **b** What are the reasons for the development of strong nation-

alistic tendencies by any state? Answer from the standpoint of the state involved and also from a world peace viewpoint c Explain how power politics can lead only to international anarchy and make it impossible for any code of international law to function d In what ways does totalitarianism threaten democracy? e World Peace and Christian ethics applied to all men mean the same thing Explain

WE LEARN BY DOING

4 **Review** Read Thomas Mann's *Coming Victory of Democracy* and report to the class on his concept of democracy

5 **Chart** Make a chart, using the following headings, showing the Empires of England, France, Italy, Holland, and the United States before 1939

NATION	COLONIAL HOLDINGS	STATUS OF HOLDING	RESOURCES OF HOLDING

6 **Debate** Resolved That the present national states system has led to international anarchy

7 **Panel Discussion** Four members of the class can prepare papers on the following topic "An Equitable Redistribution of the World's Resources Could Lead to World Democracy and Peace" Have these papers read before the class, after which hold a general discussion, with the teacher as the chairman

8 **Debate.** Resolved "That nations of true believers in democracy can bring about a lasting Peace"

9 **Report.** Read the first part of Russell and Briggs, *The Meaning of Democracy,* and report to the class their idea of the present threat to democracy

WE READ FROM OTHER BOOKS

10 **General Readings** T Brockway, *Battles Without Bullets,* W Russell and T Briggs, *The Meaning of Democracy,* M Elliot, F Merrill, and C Wright, *Our Dynamic Society,* chap xxvii, V Fry, *The Peace That Failed,* R Gavian, *Society Faces the Future,* chaps xxiv-xxv, R Gavian, A Gray, and E Groves, *Our Changing Social Order,* chap xxv, R Goslin, *Dictatorship,* R Goslin, *Changing Governments,* C Hayes, *Political and Cultural History of Modern Europe,* II, H Hill and R Tugwell, *Our Economic Society and Its Problems,* chap xxvi, E Hilton, *Problems and Values Today,* I, Unit X, J Jackson, *The Post-War World,* W Langsam, *In Quest of Empires,* H Laski, *Where Do We Go From Here?,* H Kidger, *Problems in American Democracy,* chap xx, P Landis and J Landis, *Social Living,* chap xxxiv, H Wolfe, *Human Dynamite*

11 **American Policy.** D Goetz and V Fry, *The Good Neighbors,* R Gos-

lin and W Stone, *America Contradicts Herself*, J McCulloch, *Challenge to the Americas*

12 **British Empire** J Green, *British Empire Under Fire*

13 **The East.** T Bisson, *Shadow Over Asia*, T Bisson and R Goslin, *Clash in the Pacific*, V Fry, *War in China*, T Bisson, *Showdown in the Orient*, World Affairs Pamphlet

14 **Europe Between Two Wars.** R Buell, *Isolated America*, V Sheean, *Not Peace But a Sword*, P Van Paassen, *Days of Our Years*, A Wolfers, *Britain and France Between Two Wars*

15 **Nazism.** E Mann, *The Lights Go Down*, H Rauschning, *The Revolution of Nihilism*, *The Voice of Destruction*, W Stone, *Shadow Over Europe*, W Shirer, *Berlin Diary*

16 **Peace** N Angell, *Peace and the Plain Man*; A Brandt and F Law, *War or Peace*, R Buell and R Goslin, *War Drums and Peace Plans*, A Milne, *Peace With Honor*, W Stone, *Peace in Party Platforms*, W Stone and C Eichelberger, *Peaceful Change*

CHAPTER 35

THE CITIZEN OWES DEFINITE DUTIES AND OBLIGATIONS TO HIS DEMOCRATIC STATE

★★★

Here, in our conclusion, is the call for action that is the challenge of democracy. You have acquired some information that should help you to lead more useful, satisfying lives You have approached an understanding of democracy and its needs You know that democracy is in peril What are you going to do about it? Knowledge and understanding are useless unless they lead to action

★★★

THE BILL OF DUTIES

American men and women want to do their duty The spirit of liberty has flamed into acts of devotion to country in every generation But duty implies a specific, personal action in everyday life How can the citizen, not in the first line of defense, recognize his duties so that he may perform them? One answer to this is Vice-President Henry A Wallace's suggested Bill of Duties [1] This is reproduced here, with brief explanations

THE VICE-PRESIDENT'S BILL OF DUTIES

1. The duty to think, every day, how I can best serve the general welfare, to put it ahead of the welfare of my party, of my group, of my region, and of myself

   This is the essence of the Bill of Duties, just as Amendment I is the heart of the Bill of Rights The general welfare must come first

2. The duty to make democracy efficient by working harder and more harmoniously every day to produce the products most needed

   Production is obviously a need today But in all times, we need the feeling that by our efforts we are contributing to the welfare of our country

3. The duty to provide government mechanisms to enable our power of consumption to equal our power of production

[1] Henry A Wallace, "The Price of Your Freedom," *American Magazine*, July, 1941

This is the corollary of efficient production, for one of our chief problems is "to get the goods we produce into the hands of the people who use those goods."

4 The duty to work for an economic democracy to match our political democracy, where the right to a job will be as definite as the right to a vote

This duty is emphasized by the industrialization of the United States Democracy must have a sound economic foundation

5 The duty to study and know our country, and to see it as an interdependent whole

Every boy and girl can assume this duty Through study, travel, and conversation they can begin to glimpse the real United States

6 The duty of order, not imposed from above, but coming from the individual human heart

Modern society needs order It must come from the people, in a democracy The individual needs to recognize that he is a part of the brotherhood of man

7 The duty of observing the spirit as well as the letter of the Bill of Rights

This obligates us to use our freedoms fairly and wisely, so as not to injure the general welfare

Rights and Duties

Every person born or naturalized in the United States is a citizen of this country The vast majority of the readers of this book are, therefore, citizens, though they may not yet be voters All the rights, except political rights, apply to them All the duties of citizenship, except those of voting and holding office, apply to them as well

As Americans, we are proud of our freedom In the past some have taken it for granted But, as we look at the world, we see that freedom can disappear far more suddenly than it came This has caused America to appreciate far more than ever before these liberties of ours and to ask what we can do to preserve them The time has come when the Bill of Rights must be defended by a Bill of Duties

In every person in the United States, there is a balance between

the rights which he expects and will struggle for and the duties that he is willing to assume as his obligation

There is an obligation directly connected with each right that every person, young and old, should recognize Every person has the right to worship as he chooses He also has the obligation to allow others the same right and to keep his thoughts and actions free from religious prejudice Every person has freedom of speech Besides insisting on freedom for those who disagree with him, the citizen's duty is to know what he is talking about and to be temperate and fair in what he says The citizen has the right to choose his work He should be productive He has the right to an education He should support the public schools He has the right to vote He should vote intelligently at every election He has the right to share in the formation of public opinion He should accede to the will of the majority

He has the right, the inestimable privilege, of living in the United States of America He should be willing to fight for his country The Declaration of Independence ends with these words, "And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor" No American should want to do less, no American could do more

CAN YOU THINK?

1 We will have our rights as long as we accept our obligations Explain this relationship

2 Vice-President Wallace writes that the Bill of Duties quoted is simply a suggestion Think this matter through and list some duties that might apply more specifically to you

3 Your school has organizations that are democratic Can you draw up a plan showing that more emphasis on voluntary duties would result in increased democracy?

4 In two parallel columns list political, civil, social, and economic rights and duties so that it will be clear that every right has a corresponding duty

WE READ FROM OTHER BOOKS

6 **General Readings** K Gould, *Windows on the World,* chap xiii, E Hilton, *Problems and Values Today,* I, Unit V, H Kidger, *Problems in American Democracy,* chap xxi, J Kinneman, R Browne, and R Ellwood, *The American Citizen,* chap i-ii, T Mann, *The Coming Victory of Democracy,* M Maverick, *In Blood and Ink,* A Meiklejohn, *What America*

Means, H Overstreet, *Our Free Minds*, W Russell and T Briggs, *The Meaning of Democracy*, W Whitman, *Democratic Vistas*

7 **Pamphlets.** E Kalp and R Morgan, *Democracy and Its Competitors*, North Central Association, *If War Comes, Mobilizing Machines and Men*, Public Affairs Pamphlet, No. 48

FILMS

NYA Student Aid 1 reel, 16 mm silent, 1937 Federal Security Agency, Washington, D C

Youth Also Serves 2 reels, 16 mm silent, color, 1938 New England Hurricane Federal Security Agency, Washington, D C

Land of the Giants 3 reels, 16 or 35 mm sound Federal Security Agency, Washington, D C

CCC Park Development in California Nationwide System of Parks 2 reels, 16 and 35 mm sound Federal Security Agency, Washington, D C

Making a V-Type Engine 2 reels, 16 or 35 mm silent Department of Interior, in cooperation with Ford Motor Co

Power Within 20 min 16 mm sound Department of Interior, in co-operation with General Motors Corporation

Safety Glass 2 reels, 16 or 35 mm silent Department of Interior, in co-operation with Ford Motor Co

Behind the Scenes in the Machine Age 3 reels, 16 or 35 mm silent Department of Labor, Women's Bureau Stresses technological change that affects women

Stop Silicosis 1 reel, 16 or 35 mm sound Department of Labor

Big Bend National Park Project 1 reel, 16 or 35 mm silent Department of Interior

Day in Virginia 2 reels, 16 or 35 mm silent Department of Interior

Fish, from Hatchery to Creel 1 reel, 16 mm sound Department of Interior

The Forest and Health 1 reel, 16 or 35 mm sound Department of Agriculture How the forest ministers to the spiritual and physical health of mankind

Glimpses of National Parks 2 reels, 16 or 35 mm silent Department of Interior

Land of the Giants 3 reels, 16 or 35 mm sound Department of Interior State Park Development in California

Prevent Forest Fires Trailer #1, 2, 3, 16 or 35 mm sound
- #1 *The Good Woodsman in the Woods,* 1/5 reel
- #2 *The Careful Fisherman,* 1/5 reel
- #3 *How to Build a Campfire,* 1/5 reel Department of Agriculture

Re-Creation 3 reels, 16 or 35 mm sound Department of Agriculture Relief from distractions of modern city life through vacations in National Forests

Ski-Time 1 reel, 16 or 35 mm sound Department of Interior Eastern and Western National Parks

Speckled Beauties 4 reels, 16 or 35 mm silent Department of Interior, Fish and Wildlife Service Trout, and sportsmanship in trout fishing

Winter Sports in National Forests of California 1 reel, 16 or 35 mm sound Department of Agriculture

Winter Wonderland 1 reel, 16 or 35 mm sound Department of Agriculture Winter sports in National Parks

Canned Lima Beans 2 reels, 16 or 35 mm silent Department of Agriculture Government Inspection and Grading of beans, and canning process

Know Your Money 2 reels, 16 mm sound Department of Treasury Detection of Counterfeit Money

Cooperative Wool from Fleece to Fabric 3 reels, 16 or 35 mm sound Department of Agriculture

The Fight for Life U S Information Service, Washington, D C, or Columbia Pictures Corp, 729 Seventh Avenue, New York City

Design and Construction of Three Small Homes 2 reels, 16 mm sound, 4 reels 16 mm silent (revised 1939) Federal Loan Agency, Federal Housing Administration, Washington, D C

Housing in Our Time 2 reels, 16 and 35 mm (1939) U S Housing Authority, Washington, D C

Today We Build 6 reels, 35 mm sound, 1 reel 16 mm sound (1200 feet) Federal Loan Agency, Federal Housing Administration, Washington, D C

Social Security Benefits—Paying Worker's Claims for Old Age and Survivor Benefits 1 reel, 16 mm sound Federal Security Agency

Social Security for the Nation 1 reel, 16 mm sound Federal Security Agency

Worker's Old Age and Survivor's Insurance Accounts 1 reel, 16 mm sound Federal Security Agency How records are kept

Three Counties Against Syphilis 2 reels, 16 or 35 mm sound U S Public Health Service Delicate treatment suitable for any audience Narrator, Alois Havrilla Music Hampton Institute Choir

Choose to Live 2 reels, 16 or 35 mm sound Federal Security Agency, Public Health Service Cancer is curable if diagnosed in early stages

The City 4 reel sound film Film Library of Museum of Modern Art, 11 W 53rd Street, New York City

Protecting the Public 1 reel, 16 mm sound, 1936 Bureau of Prisons, U S Department of Justice, Washington, D C

The Living Land 1 reel, 16 and 35 mm sound (1940) U S Department of Agriculture, Washington, D C

Roots in the Earth 2 reels, 16 and 35 mm sound (1940) U S Department of Agriculture, Washington, D C

Electricity on the Farm 2 reels, 16 and 35 mm silent (1935) Information Office, Tennessee Valley Authority, Knoxville, Tennessee

The Plow That Broke the Plains 3 reels, 16 and 35 mm sound U S Department of Agriculture, Washington D C

Our Daily Bread 1 reel, 16 and 35 mm silent (1938) U S Department of Agriculture, Washington, D C

Wise Land Use Pays (Soil Conservation) 2 reels, 16 and 35 mm sound (1938) U S Department of Agriculture Washington, D C

The Heritage We Guard (Wildlife) 3 reels, 16 and 35 mm sound (1940) U S Department of Agriculture, Washington, D C

The Story of a Mexican Gusher 2 reels, 16 mm Bureau of Mines U S Department of Interior, Washington, D C

The Strength of the Hills 1 reel, 16 mm Forest Service, Division of Information and Education, U S Department of Agriculture, Washington, D C

The River 3 reels, 16 and 35 mm sound (1937) U S Department of Agriculture, Washington, D C

The Tree of Life (Sustained-yield management) 16 and 35 mm sound (1938) U S Department of Agriculture, Washington, D C

Boulder Dam 4 reels sound, 5 reels silent, 16 and 35 mm Bureau of Reclamation, U S Department of Interior Washington, D C

Grand Coulee 2 reels, 16 and 35 mm silent (1937) Bureau of Reclamation, U S Department of Interior, Washington, D C

RECORDINGS

Slums Cost You Money 13 fifteen minute dramatizations on double-faced records May be borrowed from the U S Housing Authority, Washington, D C Free

The River 3 reels, 16 and 35 mm sound (1937) U S Department of Agriculture, Washington, D C

INDEX

★★★

Page numbers in *italics* refer to graphs, charts, and other illustrations

Adams, Henry, 9, 32
Adams, John Quincy, 380
Adler, Prof. Alfred, 24
Advertising, as it affects buyers, 198 f., absurdities of, 200 f., scrutinized by consumers, 201
Agence Havas, of France, 428
Agencies, Federal, 385 f. Special Administration, 386 f., Federal Security, 390, Federal Works, 391, Federal Loan, 391
Agricultural Adjustment Act (1933), 413, 500, Second Act (1938), 501 f
Agricultural Marketing Act (1929), 489
Agriculture, and machinery, 497 f., Department of, 498 f
Alexander I, of Russia, 571
All Quiet on the Western Front, 416
Amalgamated Housing Corporation, 249 f
Amendments to Constitution, 381
American Association of University Women, 444
American Farm Bureau Federation, 208
American Federation of Labor (AFL), 99 ff., 443
American Home Economics Association, 175
American Hospital Association, 304
American Medical Association, 173, 300 f., 305, 437, 441
American Newspaper Publishers Association, 428
Anderson, Marian, 319
Anti-Trust Legislation, 76 f
Arthur, Chester A., 403
Aryans, as a race, 20
Ashburner, Charles E., 357
"Assembly Line," 71
Associated Press (AP), 428

Bach, Johann Sebastian, 321
Bailey, Henry Turner (quoted), 144
Baker, Newton D., 351
Beard, Miriam, 65
Beethoven, Ludwig van, 36, 321
Behavior, Patterns of, 19, 25
Better Business Bureau, 176, 200
Big Business, through corporations, 70 f., and mass production, 71 f., Advantages and disadvantages of, 71 ff., and monopolies, 74 ff., through mergers, 76
Bill of Rights, 374 f
Bizet, Georges, 321
Blumer, Prof., 462
Boas, Franz, 21
Bonds, U. S. Government, 264, State and municipal, 264 f
Boulder Dam, 523 f
Bounty, Mutiny on the, 21
Bourgeoisie power, Growth of, 67 ff.
Branded Goods, 199
Brisbane, Arthur, 431
Bryce, Lord (quoted), 352
Budget, The National, 557 f., *557*
Budget Law, 442
Building, High cost of, 224 f., *224*
Bureau of Home Economics, 167, 221
Bureau of Safety Education (Cleveland), 463
Bureau of Standards, Dept. of Interior, 171 f
Burnham, Daniel H., 332
Burns, Robert (quoted), 44
Business Control, and the Government, 88 f., Self-imposed, 89
Business Week (quoted), 295
Buying Rules, 189 f

Cabot, Dr. Hugh, 302
Cabot, Dr. Richard (quoted), 302
Canton Daily News (Ohio), 430
Capital, Definition of, 69
Capital Punishment, 469
Capitalism, Spirit of, 69
Capone, Al, 456
Carlyle, Thomas, 33
Carver, George Washington, 319
Cavell, Edith, 415
Cervantes, Miguel de, 321
Chain Stores, 186
Chamberlain, H. S., 21
Character, Definition of, 40 f; and maturity, 42 f
Chase, Stuart, 552
Child Labor, 14
Church and Society, 316 ff., *318*
Churchill, Winston, 576
City Government, by Mayor Council, 350 ff., *350*, by Commission, 355 f., *355*, by Council-Manager Plan, 357 ff
City Housing Corporation of N. Y. City, 248

City Management, as a profession, 361, terms of officers, *362*
City Planning Commission, 333
Civilian Conservation Corps, 55 f
Civil Service, and the Pendleton Act, 403 f, Definition of, 404 Reform, *405*, and Merit System, 407 f, 411 ff, "Classified," 408 f, "Unclassified," 409 f, as a career, 410 f, Tennessee Valley Authority, 410, personnel, 414 f
Clapper, Raymond, 431
Clayton Anti-Trust Act, 77
Cleveland, Grover, 34
Clothing, Advice to buyers of, 182 f
Coal, Waste of, 515 f, and bad mining practices, 517
Collier's Magazine, 430
Columbian Exposition, Chicago 1893, *333*
Community Planning, Necessity of, 329 f, in U S, 330 ff, according to master plan, 331 f, Problems of 339 ff
Compensation, vs individual handicaps, 36
Competition, Laws of, 74 ff
Congress of Industrial Organization (CIO), 101, 443
Conkling, Senator, 403
Conservation, as a major problem 509 f
Constitutional Safeguards, 375 ff, Bills of Rights, 375, Civil liberty, 375 f, Property rights, 376 f, Trial safeguards, 377 f, Political rights, 379 f
Consumer Aid, through private agencies, 176
Consumers' Digest, 175
Consumers' Guide, The, 167
Consumers' Research, 174
Consumers' Union, 174
Contentment in life, 147
Coolidge, Calvin, 421, 431, 443, 489
Co-operative Merchandising, Start of 201 f, Principles of, 202 f, Types of 203 f, Retail trade handled by, *206*, in Europe 204 ff
Co-operatives, in foreign countries, 204 ff, in U S, 207 ff, Farmer 207 f, in the city, 208 f, in the colleges, 209 f, housing, 249
Corneille, Thomas, 321
Corporate Business, 70 f, advantages and disadvantages of 71
Cosmopolitan Magazine, 430
Council-Manager Plan, Growth of, 360
Counties in U S, 395 ff, Size of, 395 f, Functions of, 396, Weaknesses of County systems, 396 f, Confusion in Metropolitan Areas, 397 f, County Manager Plan, 398 f
"Court Packing Bill," 374
Cox, George ("Boss"), 353 f
Credit, Types of, 190 ff, used advantageously, 194 f
Credit Unions, 192
Creel, George, 445
Crime, and society, 453, and its record, 453 f, and its cost, 454 f, among minority groups, 455 f, and immigration, 456, Organized, 456 ff, and its political influences, 458 f, committed by youth, 459 ff, and our youth, *459*, prevention bureaus, 462 f, and the juvenile court, 463 f, and the classification of criminals, 464 f, and the need for segregating prisoners, 465 and federal agencies, 475 ff, and some federal statutes, 477 f, combated by modern cities, 480
Crime Prevention Bureaus, 462 f
Crises, The, 444
Croker, Richard, 353
Culture, Universality of, 320 ff.
Curtis, George William, 403
Customs, and federal revenue, *539*

Dam Project, Federal, 522 ff
Dante, Alighieri, 321, 574
Days of Our Years, 575
Defense Activities, National, *569*
De Forest, Lee, 321
Delta Co-operative Farm, 203
Democracy, and schools, 12 f, and Social Security, 292, and religion 314 f, Nature of, 369 f, and government, 370, Social and economic, 382, Propaganda for, *436*
De Monarchia, 571
Department Stores, 187
Deutsches Nachrichten Buro (DNB), of Germany, 428
Dewey, John, 24
Dictatorship, and Nationalism, 571
Divorce *See* Family Life
Dominance, and submission, 38 f
Dostoevski, Theodore M, 321
Du Bois, W E B, 319, 443
Dunbar, Paul Lawrence, 250
Dyer Act (1917), 477
Dykstra, Clarence A, 359 (quoted), 361

Eaton, Dorman B, 403
Economic rights, and political rights, 68 f
Economic system, Definition of, 65 f
Eddy, Sherwood, 203
Editor and Publisher, 428
Education, Meaning of, 4, Principle of mass production in, 4 f, Two general fields of, 5, and study of languages, 5 and guidance in school curriculum, 6, and extra curricular activities, 7, Seven

cardinal principles of, 7 ff Adult, 9 f, in continuation and evening schools, 10 f, Cost of, *12*, 14 f, American Council on, 51
Education of Henry Adams, The, 9
Electrification, of farms, 504 f
Elgar, Sir Edward, 321
Emotions, Human, 22
Employer Methods, against unionism, 105 ff
Endicott-Johnson Shoe Company, 89
Environment, and intelligence, 27
Erosion, and floods, 520 f
Escape Mechanisms, 37 f
Essay on the Inequality of the Human Races (Gobineau), 21
Everybody's Magazine, 130
Exclusive Shops, 187
Extroversion, and introversion, 36 f

Fair Labor Standards Act (1938), 108
Family Life, 115 ff, types of marriage, 116, biological functions of family, 117, economic protective, religious, and educational functions, 118, recreational function, 118 f, psychic function 119 marriage in early America, 119 f, marriage in 19th-century America, 120 f, Divorce in U S, 121 *122*, 123 ff, legal age of marriage, *126*, marriage licenses, 126, marriage and divorce legislation, 127 f, choosing a mate, 130, 134 ff, love factor, 131 f, rearing of children, *131*, individual health, 132, financing the home, 137 ff, child cost, *139*, successful homes, 140 ff
Farewell to Arms, 446
Farley, Thomas, 397
Farm Credit Administration, 503 f
Farmers, and their investment, 487 f, and depression, 488 f, *488*, and government aid, 489 f, and the foreign market, 490 f, and reciprocal trade agreement, 491, and surplus farm products, 491 f and their income, 492 f, and the increase of farm tenancy, 493 f
Farm Security Administration, *239*
Fashoda Incident, 566
Federal Agencies, 385 f, 390 f, and crime, 475 ff
Federal Bureau of Investigation (FBI), 459, 478 f
Federal Child Labor Law, 141
Federal Emergency Administration of Public Works, 237 ff
Federal Farm Board, 489
Federal Fugitive Act (1934), 478
Federal Housing Administration, 244 f
Federal Reserve Act (1920), 142
Federal Subsistence Homesteads Corporation, 240
Federal Trade Commission, 77, 172 ff
Federal Works Agency, 245
Feudal system of the manor, 66
Fichte, Johann Gottlieb, 322
Field, Marshall, 250
Finance Companies 192
Flood Control Act (1936), 521
Floods, and erosion, 520 f
Food, Drug, and Cosmetic Act (1938), 167 ff, 176
Food products, Standardization of, 165 ff
Foods, Advice to buyers of, 183 f
Ford Motor Car Company, 73
Forest, problems, 510 ff, Enemies of the, 513, yield management, 513, Taxation of the, 513 f, and timber resources, 514, and U S Forest Service, 514 f, future program, 515
Fortune, 81, 416, 487
Franklin, Benjamin, 120
Freedom, of action and choice, 376, of speech, 376, of the press, 376 f, *427*, of religion, 377
French Revolution 68

Garfield, James A, 403
Garrison, William Lloyd, 429
General Federation of Women's Clubs 444
Geneva Disarmament Conference, 138
Gobineau, Joseph de, 21
Goebbels, Joseph, 322
Goethe, Johann Wolfgang, 321
Golden Rule, 314
Gompers, Samuel, *100*, 413
Good Housekeeping, 174
Gould, Jay, 99
Government, and Democracy, 370, federal form of, 370 f, Distribution of power, 371 f, Position of the states, 372, Separation of powers within, 372 f, *373*, Checks and balances within, 372 f, as employer, 404, and aid to farmers, 489 f, ownership in power industry, 524
Governmental Reforms, Need of, 388 f, attempted by U S Presidents, 389, New Deal, 390
Grant, Ulysses S, 402
Greeley, Horace, 431
Grieg, Edvard Hagerup, 321
Grotius, Hugo, 574
Group control, 25 f
Group Health Association, 304 f
Guilds in medieval days, 66 f
Guiteau, Charles, 403

Habits, Human, 23 Formation of, 23 f
Hague, Mayor Frank, 376
Hague Tribunal, 575
Handel, Georg Friedrich, 321
Harding, Warren Gamaliel, 389
Harper's Weekly, 403, 429
Harrison Narcotic Law (1914), 177
Have's vs Have-not's, 567 f
Hayes, Rutherford B , 403
Hays, Will H , 437
Health Insurance, Compulsory, 302
Hearst, William Randolph, 428 430 (quoted), 430
Hegel, Georg Wilhelm Friedrich, 322
Hemingway, Ernest, 416
Herbert, Victor, 321
Hertz Heinrich Rudolf, 321
Hillman Sidney, 249
Hitler, Adolf, 565, 570 ff
Hitler Jugend 572
Hoan Daniel, 352
Holmes, Oliver Wendell, 376
Holy Alliance, 574
Home, How to build a, 228 f Architecture of the, 229 f, Financing, 230 ff
Home Ownership, why restricted, 225 ff, or rental, 228, Advantages of, 233 f
Home Owners' Loan Corporation, 236 f, 304
Hoover, Herbert, 389
Hoover, J Edgar, 479
Hopkins, William R 359
Household Research, 174
Housing Problem, Elements of, 215 f in rural areas, 220 ff, and private enterprise, 223 f, and the California Plan, 248, and model community (Radburn), 248 f and philanthropy, 250 f
Howarth, Charles, 201
Hughes, Charles Evans, 392
Hydroelectrical Power, 522 f
Hygeia, 174

Ibsen, Henrik, 321
Ickes, Harold L , 237
Ill Health, Cost of, 299
Illinois Crime Commission, 157
Immigration, Development of U S , 320, and crime, 456
Imperialism Economic 565 ff, after the First World War, 567 ff
Impost and Excise See Taxation
Income, Effects of inadequate 85 ff, American family, 227
Inferiority complexes, 35 f
Installment Houses, 187, buying, 190 f, *191*
Insurance, Types of, 274 ff, Advisable size of, *280*, Security of, 280 f, Unemployment, 287 ff
Insurance Companies Size and function of, 269 f, Types of, 270 f, Investment of premiums, 271 f, Premium charges, 272, How to select, 281
Insurance Policies, as collateral, 193, Features of, 272 ff, How to select, 281 f
Intelligence, Human, 26 f, Measurement of, 27, and environment, 27
Inter-Mountain Consumers' Service 175
Internal Revenue, Bureau of 541
International News Service 428
Interstate Commerce Act 89
Interstate Commerce Commission 387
Introversion, and extroversion 36 f
Investments Safety of, 261 f, Types of, 262 f, Income of, 263, in public utilities, 265, in various securities, 265 f
"Iowa Studies," 27

Jackson, Andrew, 35, 374, 402
James, William, 23 f
Jefferson, Thomas, 331, 374
Jews, as a race, 20, and Nazi persecutions, 322
Johnson, Hugh, 131
Johnson, James Welden, 443
Johnson, Tom L , 351
Jordan David F 257
Journal of Home Economics, 175
Journey's End, 416

Kant, Immanuel, 574
Keller, Helen, 36
Kellogg Briand Pact, 575
Kent, Frank P , 431
Kidnaping *See* Crime, Organized
Knights of Labor, 99
Ku Klux Klan, 323, 430

Labatt, John S , 458
Labor Legislation, 107 f
Labor Movement, History of, 96 ff, of today, 99 ff, Techniques of, 101 ff, *102*
Labor Saving, through machines, *86*, 94 f
Laboring Class Development and growth of, 95 f
La Guardia, Fiorello 351 457
Land, as basis of national resource, 508 f
Lasting Peace Through the Federation of Europe, 574
Laws of War and Peace, 574
Leadership, and personality 34 f
League of Nations, 137, 145, 575
Legislature, State, Bicameral and Unicameral Systems *394*

Leisure, Definition of, 147 f, in Westchester County, N Y, *152, 153*, attitudes toward, 150, National Association, 150, Survey by NLA, *151, 152*
L'Enfant, Major, 332
Lenroot, Irvine Luther, 438
Lewis, John L, 413
Liberator, 429
Life Insurance, Cost of, 279 f, *279*
Lindbergh Law (1932), 477
Link, Dr Henry C, 24
Lippmann, Walter, 431
Loan Banks, 192
Loans, Interest rates on, *194*
Lobbyists, Definition of, 438, how they work, 438 f, How to control, 439
Locarno Treaties, 575
Locke, John 377
Lowden, Frank O, 393
Lundberg, George A, 152

McCall's Home Economic Service, 174
McClures' Magazine 430
McManes, James, 353
McNary-Haugen Bill, 413, 489
Machinery and Agriculture, 497 f
Mail Order Houses, 185 f
Mallon, Paul, 431
Man, superior to animals, 19 f
Mann, Thomas, 314
Marconi, Guglielmo, 321
Marriage *See* Family Life
Marshall Field Garden Apartment-Homes, 250
Mass Production, through corporate business, 71 f, advantages and disadvantages of, 71 ff
Mayor-Council Government of Cities, 350 ff, *350*, Defects of, 352 ff
Medical Associations, Attitude of 300
Medical Care in U S, 297 ff, 302 ff, 307 f, in other countries, 306 f, cost and scope of, 299 f, Government-supported 302 f
Medical Dental Service Bureau, 305
Mein Kampf, 565
Mellett, Don 430
Mental hygiene, 39, attitudes, 41 f
Mentality, Levels of 29
Mental Testing Criticism of, 28 f
Michigan Boulevard Garden Apartments, 250
Millis, Walter, 446
Money economy, Rise of, 67 f
Monopolies *See* Big Business
Monroe Doctrine, 568
Morality, Role of, 311 ff, and everyday life, 315 f
Morris, Deborah 119
Morris Plan, 193
Mortgages, 231 ff
Motion Pictures, and crime, 462
"Muckrakers," 429
Municipal Functions, 349
Municipal Home Rule, 354 f
Municipal Research, N Y Bureau of, 361 f
Munseys' Magazine, 430
Murders, Record of, *454*
Mussolini, Benito, 571 f

Napoleonic Wars, 574
Nast Thomas, 429
National Association for the Advancement of Colored People (NAACP), 143
National Board of Fire Underwriters, 177
National Debt, 555 ff, *556*
National Defense, Cost of, *551*
National Economic Committee, Recommendations of, 77
National Firearms Act (1934), 478
National Income, 83, *84*, Distribution of, 83 f
National Labor Relations Act (Wagner Act), 105 107
National Labor Relations Board (NLRB), 103, 107, 443
National Labor Union, Baltimore, 99
National League of Women Voters, 414
National Park and Planning Commission, 332
National Safety Council (quoted), 340
National Youth Administration, 56 ff and national defense, *56*
Nationalism, Nature of, 570 f, and Dictatorship, 571
Negroes, Discrimination against, 319
Neighborhood Stores, 186
Ness, Elliot, 158
Neutrality Act, 446
New Deal 390
New York Journal, 430
New York State Housing Law (1926), 247
New York Times, The, 429
New York Tribune, 431
New York World, 428, 430
Newspapers, and public opinion, 427, control 427 f and news-gathering, 428 f Influence of 429 f, Yellow journalism, 430, and the columnist, 431, and intelligent reading, 431 f
Nietzsche, Friedrich, 322
Norris, George W, 393
Norris-La Guardia Anti-Injunction Act, 107
Nunn Bush Shoe Company, 89

OGPU, 572
Old Age Benefits, *287*
Olmstead, Frederick Law, 332

Paassen, Pierre van, 575
Parents' Magazine Advisory Service, 174
Parker, John J, 444
Parole of prisoners, 472 f
Parran, Thomas, 134
Peace—a world problem, 574 ff
Pearson and Allen, 431
Pegler, Westbrook, 431
Pendleton Act (1883), 403 f
Penn, William, 331
Pensions, in private enterprise, 291 f
Pericles, Age of, 21
Perpetual Peace, 574
Personality, Definition of, 32, Elements of, 33 f, and leadership, 34 f
Peters, Dr John P, 302
Petroleum, Shortage of, 518 f, Conservation of, 519 f
Philadelphia Gas Ring, 353
Phipps, Sir William, 120
Photographic History of the First World War, 446
Physical Culture Institute of Nutrition, 174
Planning, Regional, 343, State-wide, 343 ff, and transportation, *344*
Planning Authorities, Problems for, 339 ff
Planning Boards, in U S, 334
Police Aids, Scientific, 479 f
Political rights, and economic rights, 68 f, Growth of, 381 f
Pollution of Streams, *341*
Popular Science Institute, 174
Port of N Y Authority, 387
Pressure Groups, Nature of 439 f, Activities of, 440
Prisons, in U S, 473, Administration of, 473 f, Life in, 474, Management of Federal, 474 f
Private enterprise, in power industry 524
Probation, of prisoners, 470 f, and imprisonment *471*
Propaganda, Nature of, 435 f, for democracy, *436*, of organized groups, 441 ff, a powerful war weapon, 444 f, as a Fact Finder, 446
Public Assistance Funds, 289
Public Opinion, Nature of, 418 f, How to mold, 419 f, How to sway, 420 ff, How to measure, 422 f controls Government, 423 ff, and the radio, 425 f, and radio control, 426, and the newspaper, 427 ff
Public Relations Counsel and Publicity Agent, 437 f
Public Utilities Act 77
Publicity Agent and Public Relations Counsel, 437 f
Pulitzer, Joseph, 430
Pulitzer, Ralph, 428
Pure Food and Drugs Act (1906), 441

Racial, distinctions, 20, superiority, Doctrine of, 21 f, equality, 318, prejudices, 318 f, 323 f, concepts of Nazis, 322 f
Racine, Jean, 321
Racketeering *See* Crime, Organized
Radio, and public opinion, 425 f, problems of control, 426 f
Railway Labor Act (1926), 105 f
Rationalization, 37
Reclamation, Efforts at, and schemes 521 f
Reconstruction Finance Corporation, 237
Recreation, Definition of, 148 f, Community, *149*, *151*, *152*, *153*, Cost of commercialized, 153, Types of commercialized 153 f, Movies as a, 155 f Constructive, 156, Community singing as a, *157*, Active, 157 ff, Intellectual and cultural types of, 159 ff, Play-acting as a *159*
Red Cross, 137
Reforms *See* Governmental Reforms
Religions, Sameness of great, 313 f, and democracy, 314 f
Remarque Erich Maria, 446
Remedial Loan Association, 192
Remington Frederick, 130
Resettlement Administration, 241 ff
Reuter's of England 428
Richman Brothers Company, 89
Rimski Korsakov, Nikolay Andreevich, 321
Road Back The, 446
Road to War, 446
Robeson, Paul, 319
Rockefeller, John D, 437
Rogers, Will, 421, 431
Roosevelt, Franklin D, 374, and Government Reorganization, 390 f and creation of departmental bureaus, 391 f, and civil service reforms, 410
Roosevelt, Theodore, 389, 421
Rosenberg, Alfred, 322
Rosenwald, Julius, 250
Ross-Loos Clinic, Los Angeles, 305
Rousseau, Jean Jacques, 574

Sales, at stores, 187 ff
Sandys, Edwin (quoted), 119
Savings, of non-farm families, *85*
Saving Banks Loans 193
Savings Institutions, Types of, 257 ff
Scales of living How to judge, 80, U S compared with world, 80 f, compared with other countries, 82 compared with past, 82 f
Schooling, Cost of, *12*

Schools, and society, 11, and democracy, 12 f, "Public," 13 f, Reasons for public, 14, Improving the, 15 f, Financing of, 16
Schopenhauer, Arthur, 24
Schurz, Carl, 403
Seabury Investigation, 397
Self-Sufficiency, Comparative Table of War-time, 81 f, *81*
Seligman, Prof (quoted), 67
Shadid, Dr M, 305 f
Shakespeare, William, 321
Shaw, George Bernard (quoted), 130
Shearer, William, 438
Sherman Anti-Trust Law, 76, 89
Sherriff, Robert C, 416
Sherrill, Col Clarence O, 358 f
Shopping Guide, The, 181
Sibelius, Johan Julius, 321
Slums, Problem of, 216 ff, a menace to health, *217*, 222 f, Social aspects of 218 ff, Cost of, *219*, Lack of play facilities in, *221*, and juvenile delinquency and immorality, 223
Smith, Adam, 68, 71 88, 285
Smith, Alfred E 392
Social Insurance, Dangers of, 292 f, why needed, 293 ff
Social Security, and Democracy, 292
Social Security Law (1937), 286, 308
Society, and schools, 11, and the church, 316 ff, *318*, and crime, 453
Soil Conservation and Domestic Allotment Act (1936), 501
Soil Conservation Districts, 388
Stallings, Lawrence, 416
Standard Oil Company, 130, 437
Standardization of food products, 165 ff
State Police, 480 f
Steffens, Lincoln (quoted), 353
Steinmetz, Karl Friedrich von, 36
Sterilization of Unfit, 469 f
Strauss, Johann, 154
Submission, and dominance, 38 f
Subsistence Homesteads, 240
Supreme Court of the U S, Functions of, 373 ff

Taft, William Howard, 389
Tammany Hall 353
Tarbell Ida M 130
Taxation, Principles of 529 f Theories of, 530 ff, General Sales Tax effects 532, Terms to know 533 f, on general property 534 ff, of business, 537 f, Import and Excises, 538 f, of incomes, 539 f, of wealth, 541 f, of sales 542 f, Benefits from, 547 f, and social control, 553, as part of national income 554 f, Differences in state, 558 Double 559 Delinquent Taxes, 595
Tennessee Valley Authority 410, 523
Tennyson, Alfred (quoted), 11
Terman, Lewis Madison, 26
Thomas, Norman, 376
Thompson, Dorothy, 429
Thorndike, Edward L, 26
Tolstoi, Count Leo, 321
Totalitarianism, 571 ff
Tracy, M E, 82
Trade Institutes and Foundations, 440 f
Trade-Marks and Trade Names, 181 f
Transportation Act (1920), 105, 112
Treitschke, Heinrich von, 322
Tschaikowski, Peter Ilich 321
Tweed, William Marcy ("Boss"), 353
Tweed Ring, 429
Tweedsmuir, Lord, 118

Unemployment, Types of, 93 f
United Press (UP) 428
United States Housing Authority, 245
Unit Stores, 187
Upson, Lent D 358
Urban Centers Growth of, 318 f
Urges, Human, 24 f

Verdi, Giuseppe, 321
Volkischer Beobachter (quoted), 565

Wage and Price Scales, 89 f
Wagner, Senator, 307 f
Wagner-Steagall Act (1937), 245
Waite Henry M, 358
Wallace, Henry A, 581
Washington, Booker T, 319
Washington, George, 332
Waste, in unplanned communities, *312*
Watson, John B, 22
Wealth of Nations (Smith), 68
Wellington, Duke of, 23
Wheeler-Lea Act, 77, 173, 176
White, Walter, 413
White, William Allen, 427
Whitlock, Brand, 351
Wilson, Woodrow, 34, 389 438, 445, 575
Workingman's Compensation, 290 f
World Court of International Justice 575

Yankee Notions (Bailey), 114
Youth, Movements, 17 f in the U S, 48 f, and the depression 49 f, welfare agencies 50 f in Maryland, 51 ff, Commission, American, 53 ff, and crime, 460 ff

Zoning of, 338

Education